

HOUSE OF ASSEMBLY**Monday 1 July 2013****ESTIMATES COMMITTEE B****Chair:**

Hon. L.R. Breuer

Members:

Hon. S.W. Key

Ms Z.L. Bettison

Ms V.A. Chapman

Mr S.P. Griffiths

Mr M.L.J. Hamilton-Smith

Mr L.K. Odenwalder

*The committee met at 10:30***DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS, \$77,136,000****ADMINISTERED ITEMS FOR THE DEPARTMENT OF PRIMARY INDUSTRIES AND REGIONS,
\$3,516,000****Witness:**

Hon. G.E. Gago, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations.

Departmental Advisers:

Mr S. Ashby, Chief Executive, Department of Primary Industries and Regions.

Mr T. Mader, Acting Deputy Chief Executive, Department of Primary Industries and Regions.

Mr R. Janssan, Group Executive Director, Corporate Services, Department of Primary Industries and Regions.

Mr S. Johnke, Director, Finance and Prudential Management, Department of Primary Industries and Regions.

Mr S. West, Executive Director, Agriculture, Food, Wine and Forestry, Department of Primary Industries and Regions.

Mr M. Williams, Manager, Budget Strategy Unit, Department of Primary Industries and Regions.

Mr M. Doroudi, Executive Director, Fisheries and Aquaculture, Department of Primary Industries and Regions.

Mr W. Zacharin, Executive Director, Biosecurity SA.

The CHAIR: Good morning, and welcome. Estimates are a relatively informal procedure. Changes to committee membership will be notified as they occur via a request to be discharged form. There is no need to stand to ask or answer questions. There will be a flexible approach to giving the call for asking questions based on about three questions per member, alternating each side. Supplementary questions will be the exception rather than the rule. A member who is not part of the committee may, at the discretion of the chair, ask a question.

Questions must be based on lines of expenditure in the budget papers. All questions are to be directed to the minister and not to the minister's advisers. Members unable to complete their questions during the proceedings may submit them as questions on notice for inclusion in the House of Assembly *Notice Paper*, but all answers to questions taken on notice must be submitted to the committee secretary no later than Friday 27 September 2013.

There is no formal facility for the tabling of documents; however, documents can be supplied to the chair for distribution to the committee. I advise, for the purposes of the committee, television coverage will be allowed for filming from the area behind me. There is none there today. I understand that the minister and lead speaker of the opposition have agreed to a timetable for today's proceedings—is that right, member for Goyder? Are you happy with the timetable that has been agreed to?

Mr GRIFFITHS: I believe it is 30 minutes, Madam Chair.

The CHAIR: I propose to allow both the minister and the lead speaker of the opposition to make opening statements of about 10 minutes each. I declare the proposed payments open for examination and refer members to Agency Statements, Volume 4. Minister, do you wish to make a statement and introduce your advisers?

The Hon. G.E. GAGO: I will take the opportunity to make a few opening remarks. PIRSA has the lead role in ensuring the prosperity of both the agriculture sector and regional areas in South Australia. This mission is reflected in South Australia's Strategic Plan targets to grow the contribution made by the South Australian food industry to \$20 billion by 2020, and increase regional populations outside greater Adelaide to 320,000 or more by 2020.

Vibrant food and wine industries help our regions and are a significant player in South Australia's economy, generating more than \$16 billion a year and employing one in five South Australian workers. Central to PIRSA's work is driving the state government's strategic priority of premium food and wine from our clean environment, in all its contexts—boosting production, encouraging a market-driven focus, ensuring sustainable resource management, leading cutting-edge research and ensuring protection through world-class biosecurity measures.

PIRSA also has a strong link with the growing advanced manufacturing strategic priority. Through the premium food and wine from a clean environment priority, PIRSA is assisting South Australia's food and wine industries to grow and is building on our reputation as a producer of premium food and wine locally, nationally and internationally, and \$6.1 million has been set aside for initiatives designed to help our food and wine industries capitalise on the global demand for our premium products.

World demand for food is estimated to rise by 70 per cent by 2050 and South Australia is obviously well placed to capitalise on this opportunity. A significant initiative in meeting this objective is the \$2.5 million increase in funding over the next three years aimed at growing South Australia's exports to emerging markets in China. PIRSA will work with the Chinese government and Chinese companies to develop food centres in China and showcase premium Australian produce.

Also included in the initiative will be a program to support business capability development, including familiarisation with the market and increased capability to meet Chinese market requirements. This investment will help our food and wine industry take advantage of the rapidly growing Chinese market where safe quality products are in high demand.

The establishment of premium food and wine coinnovation clusters in the Murraylands, the Riverland and the Limestone Coast region is a \$2.7 million five-year initiative, with \$2.6 million slated to be spent over the next four years to assist local businesses become more collaborative, productive and globally competitive. PIRSA will appoint cluster coordinators to help with the development of these new clusters and support business participation. To further protect South Australia's global reputation for producing premium, clean food, the state government is providing \$1 million over the next four years for additional fruit fly prevention work.

PIRSA coordinates an across-government and across-sector approach to regional development, working with regional stakeholders and promoting the interests of our region. The department continues to support the important work of the Regional Communities Consultative Council, the Riverland Sustainable Futures Fund, the Enterprise Zone Fund for the Upper Spencer Gulf and Outback, heavy industries and a place-based approach in the Upper Spencer Gulf, the Limestone Coast Economic Diversification Forum and the Regional Development Fund.

On 11 September 2012 the Premier convened the Limestone Coast Economic Diversification Forum and PIRSA has led that forum in collaboration with the South East Local Government Association and Regional Development Australia. On 25 September 2012 the state and federal governments and the Local Government Association of South Australia signed an MOU in Whyalla to establish a place-based approach to regional development in the Upper Spencer Gulf.

The purpose of this place-based approach is to facilitate the development of coordinated, strategic, place-based investment strategies for the Upper Spencer Gulf and associated regions. A strategy has been developed for regional development with associated action plans. Regional grant commitments for 2012-13 included approximately \$1.5 million committed to the Regional Development Infrastructure Fund which has led to the creation of around 144 jobs and a total investment of over \$30.3 million.

Approximately \$5 million was committed from the Riverland Sustainable Futures Fund and that has led to the creation of around 95 jobs and a total investment of around \$12.6 million. A number of initiatives have been funded through that. Approximately \$2.6 million was committed from the Enterprise Zone Fund for the Upper Spencer Gulf and Outback which will lead to the creation of 104 jobs and a total investment of around \$8.7 million.

As Minister for Regional Development I was pleased to be able to represent South Australia's regions at the inaugural meeting of the COAG Regional Australia Standing Council in 2012, and focus on delivering sustainable and lasting growth across Australia's regions. Initiatives to strengthen region-to-region links and unlock strategic opportunities for regions in the Asian century were also discussed.

In February this year I announced funding for a total of more than \$2.7 million over two years through the state government's new Regional Development Fund, stream 1, and this funding provides support for regional communities through the non-metropolitan Regional Development Australia Associations (RDAs) to access funds to deliver programs that facilitate regional economic development. There is also a stream 2 to that fund.

In December 2012 I released a draft Regional Statement for South Australia. The statement reaffirms the government's longstanding commitment to regions and highlights regional communities and governments in linkages with government plans, strategies and programs. In February, PIRSA provided an opportunity for small emerging regional food businesses to exhibit at the Cellar Door Wine Festival. Eleven producers were selected to represent the latest premium South Australian produce.

In conclusion, I reiterate that the government recognises that the prosperity and wellbeing of regional South Australians and their communities underpin the sustainability of the entire state. The contribution our primary industries make to the state's economy, our prosperity and wellbeing and PIRSA's role in supporting this sector remain vital. This commitment is demonstrated by over \$165 million being spent on PIRSA's program in 2013-14, and the targets set in the budget demonstrate the ongoing commitment to our primary industries which help underpin our state.

Mr GRIFFITHS: Madam Chair, can I first seek some clarification? Minister, my understanding is that we have 30 minutes for this, and you have taken up nine minutes. I understand that regional development is very important, so I know there are quite a few things to talk about, but is it intended that there are questions from your own side in the remaining 20 minutes?

The Hon. G.E. GAGO: No, my understanding is that we are here until 12 o'clock.

Mr GRIFFITHS: The regional development section itself was targeted more in the first portion.

The Hon. G.E. GAGO: No, my understanding is that it is all in one.

Mr GRIFFITHS: With PIRSA, all included in that?

The Hon. G.E. GAGO: Everything is combined into the one session that goes from 10.30 to 12.

The CHAIR: What do you have on your schedule at 12, minister? We have it as 10.30 to one?

The Hon. G.E. GAGO: Sorry, until 1 o'clock; you are right. This session goes from 10.30 to 1 o'clock and covers all the sections within PIRSA; my program does not delineate any time specific to any particular area.

Mr GRIFFITHS: The reason for my question, Madam Chair, is that my program talks about a 10.30 to 11 o'clock session for regional development.

The Hon. G.E. GAGO: No, I do not have that and none of my officers has that either.

The CHAIR: We have forests at 2 o'clock, 2.30 is local government, and 3.30 is status of women.

Mr GRIFFITHS: My appreciation, Madam Chair. Minister, if I can refer to Budget Paper 4, Volume 4, pages 139 and 140, which is where the majority of questions will come from. Given that today, 1 July, is the day when the Regional Development Australia groups no longer have the direct level of \$4.1 million, in round figures, from the state government to support RDA activities, are you able to give me some feedback on the concerns or the issues that have been raised by the RDA boards with you and your representatives about the ability to attract and retain the skilled staff with the withdrawal of that funding and the financial pressure that puts them under?

The Hon. G.E. GAGO: I made it quite clear at the time and have spoken about this several times in parliament. Changes to the RDA funding had been implemented a number of budgets ago prior to my time as minister.

Mr GRIFFITHS: No, minister, they were not implemented, they were flagged. They were flagged to the RDA groups that it would change.

The Hon. G.E. GAGO: They were indicated in the forward estimates. The money was removed in the forward estimates.

Mr GRIFFITHS: But not implemented until today.

The Hon. G.E. GAGO: The decision had been made to cease funding altogether, zero funding, and that was clearly indicated in the forward estimates. I then became minister, and I made changes to that and refigured the RDIF fund into two streams, and we called it the RD Fund, stream 1 and stream 2. I reinstated funds to RDAs. From 1 July 2013, the \$3 million of RDF funds were made available to RDAs with exclusive access up to \$1.4 million for merit-based programs. Stream 2 is \$1.6 million and the RDAs have access to that as well; it is not exclusive—they can apply, and I think councils are also eligible.

Just with stream 1 funding, the state government has committed to contributing funds to RDA at about the same level as the commonwealth government and certainly higher than local government contributions in most cases. In fact, I was instrumental in ensuring ongoing funding to about the level of the commonwealth government. This has meant some changes for RDAs. They have raised those concerns with me; however, as I said, the fact that they were able to at least receive some funding I think is critical to their ongoing role.

I have also been advised that the number of people this new funding will be able to employ in RDAs is around 12.1. We tried to ensure that the funding arrangements were brought in very early so that the RDAs were able to put in applications well in advance so they would know well ahead of time what funds they were going to have available to them and what funds they would not so that they could plan and arrange staffing around that.

Mr GRIFFITHS: I acknowledge that others have made decisions, and I think it was about 2½ years ago when the reduction of the \$4.1 million was first flagged. I respect that you made the \$1.4 million available as part of stream 1, but for me there is the area of the difference between the \$4.1 million and the \$1.4 million.

Thank you for the clarification on the 12.1 full-time equivalent staff being able to be funded across the seven RDAs from the \$1.4 million. As an extension of that, are you aware of feedback from RDAs where, because of a reduction in available funds that are known without being entrepreneurial and a revenue source from another area through fees for service and that sort of thing, staff may have already been lost from the RDA structure as a result of less funds being available to the seven boards?

The Hon. G.E. GAGO: I have had quite significant dialogue with RDAs, and they have indicated that the funding changes will mean changes to their programs. We are experiencing very hard economic times, and all government agencies have had to make savings and so, too, the organisations that we fund.

Funding for RDAs is accessed through a wide range of different funding pools and buckets. Projects happen in a range of different time frames, so it is often very difficult for them to indicate a particular point in time and say, 'Well, that amount of funding is going to reflect on this level of activity,' because they have projects starting and finishing all the time, coming from, as I said, a wide range of different funding arrangements.

However, I indicate that the RDAs have spoken to me and indicated that the funding changes will impact on their program activities and, potentially, staffing and I accept that. It is most

unfortunate, but we have had to make staffing cuts right through all of my agencies, and the RDAs are no different.

Mr GRIFFITHS: Minister, I am pleased that you understand and accept that. I know that there have been many people and groups who have spoken to you about that. As part of any submission you might have considered to put up the line within the cabinet process, have you asked your staff to look at a reduction in funding support for the RDAs—what the multiplier effect of that might be on missed or reduced opportunity for economic development within the regions?

The Hon. G.E. GAGO: No, we haven't done that level of detailed analysis. However, my officers and I have spent considerable time in discussions and dialogue with RDAs, so we are well aware that it will affect the activity of those agencies.

Mr GRIFFITHS: If I can ask a question about one of the funding partners, and that is local government, given that you have the dual ministerial responsibility. Have you had feedback from any area, be it the Local Government Association, individual LGAs or the RDA group, about the level of funding that local government has committed from 1 July onwards? Have there been key performance indicators that might be more stringent than they otherwise might have been in the past, and has there been an overall level of increase from individual councils and, indeed, what range that might vary from? Do you have any figures on that?

The Hon. G.E. GAGO: You are asking about local government contributions to the RDAs?

Mr GRIFFITHS: To the RDA network, yes.

The Hon. G.E. GAGO: I am advised that, in 2012-13, local government committed to contributing \$1.323 million, and I draw your attention to the fact that PIRSA is contributing almost \$4 million (that is, \$3.983 million). We far exceed the commonwealth contribution; the commonwealth contribution is \$1.784 million for—

Mr GRIFFITHS: It did last year, but not this year, I think, minister.

The Hon. G.E. GAGO: I see; yes, this is 2012-13. I think that we now roundabout match the commonwealth government.

Mr GRIFFITHS: Do you or any of your support staff have any figures about what the requirement is from local government as a contributory group to the RDAs for the 2013-14 financial year?

The Hon. G.E. GAGO: I have been advised that we do not require them to contribute. It is something we obviously encourage, but it is a voluntary partnership that local government can enter into if they wish. I do not believe that we have received any indication that their funding will change significantly at this stage. It is really up to local government to decide what they want to contribute, and it is also up to local government to decide what outcomes they would want the RDAs to deliver from those funds, and that is a matter for local government and the RDAs.

Mr GRIFFITHS: I do respect that RDA has prided itself that I think all councils have been a member of an RDA board. Is that still the case? You have not been advised of any councils that have decided to withdraw their membership?

The Hon. G.E. GAGO: Not that I am aware of. I have been reminded that Berri Barmera did indicate some time ago that it was reconsidering their contribution, but I am not aware that they followed through. I think that is about the only indication we have received.

The CHAIR: Member for Goyder, you have had five questions; I think the government wishes to ask a question. Member for Little Para.

Mr ODENWALDER: Thank you, Chair. I refer the minister to Budget Paper 4, Volume 4, page 134. I wonder whether the minister can expand on how Biosecurity SA is developing policies to protect South Australia's biosecurity.

The Hon. G.E. GAGO: Thank you. Biosecurity SA has carriage within Primary Industries and Regions South Australia of the biosecurity policy generally, the objective being to protect and improve South Australia's economic, environmental and social assets and public health by preventing and reducing the negative impacts of pests and diseases. To support this objective, Biosecurity SA has been instrumental in developing the biosecurity policy, which establishes the purpose and approach of the government to biosecurity matters in South Australia.

An intergovernmental agreement on biosecurity was ratified between the commonwealth and all state and territory governments in January 2012. This aligns with the national agreement. The South Australian government will be guided by the following principles:

- effective biosecurity requires collaboration;
- science underpins these strategies;
- rapid and accurate pest and disease identification, risk management approach, preparedness, prevention and early intervention and adaptive management; and
- the cost of biosecurity being shared equally between beneficiaries and risk creators.

The draft policy has been circulated and feedback has been received. State biosecurity policy is fundamental in delivering on our Premium Food and Wine from our Clean Environment strategic priority. It underpins product integrity, food safety and market access of South Australia's primary industries. Biosecurity SA will adopt the guiding principles and align its programs to those five priority areas.

Ms BETTISON: I refer to Agency Statements, Budget Paper 4, Volume 4, page 129. How is SARDI research assisting the government's premium food and wine priority by helping to keep SA free of phylloxera?

The Hon. G.E. GAGO: South Australia's wine industry is located in one of the few areas in the world that is free from the vine-destroying pest phylloxera. This has enabled South Australian wine to be produced from some of the oldest vines in the world. Our wine industry has a well-deserved reputation as being premium and, of course, our wines are a key part of the government's premium food and wine priority.

SARDI scientists have developed a rapid and cost-effective method to detect phylloxera in soil and has been working closely with the Phylloxera and Grape Industry Board of South Australia to verify that this method can be used to improve early surveillance for phylloxera infestation in South Australia's vineyards. Preliminary work has shown that this method could be far more effective than current surveillance methods using aerial surveillance followed by identification of weak spots in the vineyard and visual inspection.

Work has recently commenced on the next phase of this research, which is focused on developing a robust and cost-effective sampling strategy. This work is in the early stages and aims to give the industry increased confidence in phylloxera surveillance and early detection. Provisional sampling strategies are being developed and are being validated over multiple growing seasons to ensure the sampling and analysis is reliable before the new technique is used for routine surveillance.

Mr GRIFFITHS: I refer to Budget Paper 4, Volume 4, and I am particularly interested in the Riverland Futures funding. There has been some delay, which has been linked to discussions that have occurred about accessing additional funds as part of the Murray-Darling Basin agreement. Can you give an update on whether that agreement has been reached and, if not, when it will be reached?

The Hon. G.E. GAGO: We decided to withhold, I think it was, around about \$5 million of what remains in the fund when we became aware that there was an opportunity for us to leverage off federal Murray-Darling Basin funds that the federal government had made available. There was an opportunity for us to potentially leverage dollar for dollar. The South Australian government was contributing \$5 million, industry has to match that \$5 million and we were hoping to leverage a further \$5 million from the federal government, so really it would be an additional third in funding to the fund. This would obviously fund potentially more projects and deliver even greater investment in the area. In terms of where we are up to, that is very closely linked with the current Murray-Darling River negotiations.

On Wednesday 26 June, Tony Burke, the Minister for Sustainability, Environment, Water, Population and Communities, wrote to Ian Hunter, the Minister for Water and the River Murray, confirming arrangements for the funding of the \$265 million South Australian River Murray sustainability fund. Mr Burke's letter confirmed that the commonwealth will fund South Australian River Murray communities to the tune of, as I said, \$265 million, including \$240 million for the Water Industry Alliance's South Australian River Murray Improvements Program that aims to return 40 gigalitres of water to the environment and provide opportunities for the reconfiguration and renewal of the South Australian Murray irrigation industry and \$25 million for South Australian regional economic development initiatives. I am advised that the terms and conditions specified in

the letter are reasonable and will enable outcomes sought by the state, the Water Industry Alliance and the River Murray irrigation industry and its communities to be realised through that program.

Mr GRIFFITHS: So, the news is basically hot off the press from the minister. I take it from your answer that that \$265 million is available. Can you outline the time frames to expend and use that?

The Hon. G.E. GAGO: I do not believe that any specific time frames have been reached as yet. I am advised that those details are still being negotiated; however, the fact that the IGA has been signed is obviously very encouraging that those moneys will become available very soon.

Mr GRIFFITHS: The \$5 million that was allocated, I believe, for the 2012-13 financial year as part of the Riverland Futures Fund goes towards that?

The Hon. G.E. GAGO: Yes.

Mr GRIFFITHS: Is the 2013-14 allocation intended to go back to the original Riverland Futures?

The Hon. G.E. GAGO: No. What is remaining in the fund is \$5.1 million for 2013-14.

Mr GRIFFITHS: Which was the last tranche of an election commitment given by both sides prior to the 2010 election. That fund will be used on what was traditionally identified as Riverland Futures?

The Hon. G.E. GAGO: Yes, that is right, and I have given that commitment on several occasions. I am on the record as saying that that \$5.1 million will be spent on initiatives that are consistent with a Riverland Futures Fund, and it will be spent in that particular region as well. I am aware that some of these other initiatives are being rolled out to the whole of the River Murray-Darling Basin, but we have committed to ensure that those funds remain in that region.

Mr GRIFFITHS: So there is a commitment as part of the \$265 million for that rollout to occur as soon as possible and on-the-ground impacts to be felt?

The Hon. G.E. GAGO: Absolutely.

Mr GRIFFITHS: Are you still unable to confirm any level of time frame or expectation that you have?

The Hon. G.E. GAGO: No, not that I am aware of.

Mr GRIFFITHS: That is handled by minister Hunter, is it, given that the letter was addressed to him?

The Hon. G.E. GAGO: No, that will be handled by us, I am advised.

Mr GRIFFITHS: You referred in your opening statement to the draft regional statement that was released in December 2012, and you were good enough to brief me on this some months ago. Is there a revised time frame of when the consultation will be finished and when the finished version will be released?

The Hon. G.E. GAGO: The process has gone really well. Obviously the draft regional statement that I released in December 2012 has generated a great deal of interest. Regional communities will obviously have a greater input and influence in decisions; that is what we are trying to arrange.

The draft has been out there for some time. I have asked Regional Communities Consultative Council (RCCC) to undertake targeted community consultation. They have established a series of meetings and workshops—in fact, eight have been conducted. They have now pulled together feedback from that and have put that forward to my agency. As well as that, PIRSA has been involved in a consultative process involving an online survey to the broader public and also out to councils and suchlike. They are now collating all of that feedback and that will come as a report to me. I cannot give you a date but it would be fairly soon. It is a very comprehensive process.

Mr GRIFFITHS: Minister, you would have set a time expectation when you engaged RCCC to do this work for you, wouldn't you?

The Hon. G.E. GAGO: Yes, I was originally hoping to have the whole thing completed by June. As I said, it generated an enormous amount of public interest. The meetings have been well

attended, councils have wanted to have input, and my view is that it is important that everyone is given an opportunity to have their say, so I was happy to push out the time lines.

Mr GRIFFITHS: Minister, was the generation of the draft entirely an in-house document done by staff or was the Centre for Economic Studies used to assist in the development?

The Hon. G.E. GAGO: Yes, I am advised they did some earlier work for us, but it was sourced from a range of different inputs, not just their input.

Mr GRIFFITHS: But equally so, minister, did the input include the RDAs in the draft statement?

The Hon. G.E. GAGO: Only in an informal way.

Mr GRIFFITHS: I must admit, minister, it still surprises me. I would have thought that as the key body, you were involved in actually putting it out there and that their resources, expertise and knowledge of issues in regional areas would have been used to form the basis of the draft.

The Hon. G.E. GAGO: Well, they have been in an informal way, particularly through our officers' understanding, experience and insights, our RCCC and feedback that I have received as well. The aspirations, ideas and concerns of RDAs, I believe, were very much reflected in that initial draft. The initial draft, though, was really designed as a very broadbrush way of engaging and starting a dialogue and conversation with stakeholders, and that is what has happened. I guess the challenge has been that there are a wide number of stakeholders who have significant interest in this and each of the stakeholders really want the regional statement to advance their particular sector interests. We obviously cannot be all things to all people but we have obviously done a lot of work to try to include as many of those interests as possible.

Mr GRIFFITHS: I understand there would have been some challenges to get it out there, but when it comes to regional development, I have been particularly interested for a few months in the work on the Regional Mining and Infrastructure Plan that Deloitte has been doing. I am wondering if you can provide the committee some feedback on the involvement of PIRSA and regional development staff who you employ in the development of that and the negotiation they have had with Deloitte, and if your department is aware of the time frame for the report to be finalised.

The Hon. G.E. GAGO: The Regional Mining and Infrastructure Plans are being developed for the Far North, Eyre and Western, and Yorke and Mid North. The three plans will draw upon and align with the Premier's priority of realising the benefits of the mining boom for all South Australians and will build on the Resources and Energy Sector Infrastructure Council.

The infrastructure demand study identified projected demands on the state's infrastructure and existing and potential mineral and energy projects. Key outcomes of the project include coordinated and collaborated identification of priority projects to progress towards funding submissions and the facilitation of investment in infrastructure.

The state government received \$1.5 million from the Australian government Regional Infrastructure Fund (RIF) to contribute to developing three regional mining infrastructure plans, development of planning, transport and infrastructure as the lead agency for the delivery of the project and the appointment of Deloitte to develop the plans, and internal government input is currently being sought into the three draft plans.

Public consultation on the three plans is due to end in late May, I am advised, with the final reports and infrastructure business cases released around mid this year. State government agencies, industry and local communities will obviously utilise the three regional mining infrastructure plans to prioritise and progress opportunities for delivery of the infrastructure projects. I am advised that PIRSA is on the project steering committee and another officer also with Deloitte and other agencies.

Mr ODENWALDER: I refer to Budget Paper 4, Volume 4, page 127. Can the minister update the committee on the preparations for the upcoming Seafood Directions Conference and the World Aquaculture Society event in Adelaide in 2014 and how they reinforce South Australia's commitment to premium food and wine?

The Hon. G.E. GAGO: I understand that the preparations for these conferences are on track and, first, the upcoming National Seafood Directions Conference will be held in Port Lincoln on 27 to 30 October, and the theme is, 'Adapt, Interact and See Food'. The conference is the premier national fishing industry conference, held every two years, to track the course of the

Australian seafood industry and shape the strategic direction of the industry in a management and policy context.

The environment is a key event on the calendar and the Australian seafood industry has a strong national focus that reaches across both wild fisheries and aquaculture sectors. The biennial event is well attended by national fishing industry stakeholders and company executives, fishery managers, scientists, fish processors and conservation groups. I understand that the organising committee is expecting to attract about 200-odd people.

PIRSA is committed to sponsor the event by providing \$15,000 to support the conference and the Fisheries Research and Development Corporation has provided \$60,000 to support the conference, as well. PIRSA is providing in-kind support to the process through membership on the conference organising committee. The conference obviously will align with the government's strategic objective involving premium food and wine from a clean environment, and South Australia is expected to host more than 3,000 delegates and 200 exhibitors from around the world.

The symposium will provide an opportunity for South Australia to showcase the strength of our progressive aquaculture industry to the world, develop and enhance new and existing export markets and establish stronger ties with aquaculture experts across the world. More specifically, I understand that the 2012-14 World Aquaculture Symposium will incorporate the biennial Australasian Conference and Trade Show and will be the largest gathering of international aquaculture professionals in the Asian Pacific region for 2014, and delegates will be invited to attend pre and post event tours around Eyre Peninsula, KI, etc.

South Australia continues to enjoy a world-class reputation for quality seafood and environmental sustainability. The government is a strong supporter of events that promote our premium food and wine priority, and I am sure members will agree that these events do just that.

Ms BETTISON: I refer the committee to Budget Paper 4, Volume 4, Agency Statements, page 132. How does Rural Solutions SA work and how does its involvement in international programs benefit South Australia?

The Hon. G.E. GAGO: Thanks for your question. Rural Solutions SA consultants are involved in delivering international projects for AusAID, Australian Centre for International Agricultural Research, Coffey International and a number of private sector partners principally in the area of dryland farming and irrigation. All projects highlight South Australia's world-leading expertise in dryland farming and producing premium food and wine from our clean environment.

By delivering projects in key export markets, Rural Solutions not only builds critical relationships and opens up access to markets for other South Australian companies but also builds Brand South Australia. The building of Brand South Australia creates flow-on export and investment opportunities for South Australia and positions the state as a leading provider of agribusiness products, services and technology. Increased recognition of Brand South Australia also brings benefits to other South Australian sectors.

Experience gained through international projects builds the capabilities of Rural Solutions staff who will transfer know-how and innovation back to the South Australian agribusiness sector. In 2012-13, Rural Solutions consultants delivered the following multiyear projects:

- the on-ground component of the \$2.8 million AusAID project Iraq on-the-ground project in sheep reproduction technologies and irrigation;
- the \$1 million Agricultural Development Fund (Saudi Arabia)—the production, improvement and marketing of sheep in Saudi Arabia;
- a \$450,000 Coffey International Modern Poultry Farming project; and
- a \$250,000 Egypt Socio Economic Farmer Survey project.

Consultants also hosted a ministerial delegation from Afghanistan.

Ms CHAPMAN: I am delighted to be here on the committee, and I am pleased to see that the minister is still the minister for primary industry. I think you must be the longest-serving minister for agriculture in your government, and of course we have had a new federal minister announced—Mr Fitzgibbon. I have been reading the *Stock Journal* and I am the opposition spokesperson on primary industry, and I have had able advice from members here on the committee to advise me on a number of matters.

Largely, I will be dealing with Budget Paper 4, Volume 4, which starts at page 117, and I will start at pages 118 and 19, minister, if I may. There are a number of industry funds that are listed here which you have direct responsibility for to administer. I appreciate that it is only 1 July today but could you provide to the committee—and I am happy for you to take it on notice—the balance in each of these funds as at yesterday (30 June 2013) and, if it has not been provided to last year's committee, I seek the balance as at 30 June 2012?

The Hon. G.E. GAGO: I am happy to take all those questions on notice.

Ms CHAPMAN: On page 120, there is reference to the National Collaborative Research Infrastructure Strategy which is of course now operational, and South Australia makes a contribution to it. Can I understand from this—and even the absence of it—in relation to the South Australian Research and Development Institute (SARDI), which has its own section as well, that the proposal to transfer that entity to the University of Adelaide by your predecessor is now dead and dusted?

The Hon. G.E. GAGO: There were considerable negotiations looking at a range of different options. One of those involved the amalgamation with the university. Basically, it was decided that that was not going to be proceeded with so we have looked at setting up other partnerships—

Ms CHAPMAN: The government has already announced the sale of the Flaxley site, which is an asset of SARDI—

The Hon. G.E. GAGO: Sorry, I have not finished answering the question. Despite that amalgamation option—we have decided not to pursue it—it has been agreed that progressing a formal enhanced researched alliance between SARDI and the university would still provide benefits; the benefits that would have been derived from a merger without incurring the considerable transition and implementation costs that were estimated in the merger model. That was one of the sticking points, so we have now set about trying to set up these partnerships with the university.

Ms CHAPMAN: Excellent. On the basis that it is now not proceeding, could you just update the committee as to the progress on the assets of SARDI—which have included the Flaxley site which has been already announced by the government to be sold? Has it been sold yet? If so, when is it settling and are the proceeds going to be used in general revenue or are you getting that money for specific research projects?

The Hon. G.E. GAGO: We have indicated that it will be surplus to our requirements and that we plan to proceed to sell it. We have not done so yet. The revenue comes under a circular where half of the revenue sits with the agency and half goes back into general revenue.

Ms CHAPMAN: Is that the usual practice for the properties that are sold in your portfolio area, that you get half and that Treasury gets half? Is that the norm now?

The Hon. G.E. GAGO: I think it goes across all governments, so it is any asset that is surplus to requirement that is sold by an agency and it is addressed in a particular circular—114.

Ms CHAPMAN: Of the other assets of SARDI—that is real property as distinct from vehicles and other equipment that it owns, I am now talking about West Beach, the South-East property at Struan, I think Minnipa is still owned, and there are some other small parcels—is there a proposal in the budget to sell any of those assets in the forward estimates?

The Hon. G.E. GAGO: I am advised no.

Ms CHAPMAN: Have any of them been identified as surplus to requirements at this stage?

The Hon. G.E. GAGO: I am advised that Monarto and Flaxley have been identified as surplus to requirements.

Ms CHAPMAN: The Monarto property—when is that to be sold?

The Hon. G.E. GAGO: We have not set a time frame, but we plan to do that fairly soon. The reason that these properties become surplus to requirements is because the research model has changed over time. We used to have large research farms where research was conducted. That model has changed significantly to extension projects where we work with farmers on their properties and roll out projects that way, and also there has been a significant change in the way that we manage and coordinate our research nationally. Only fairly recently we agreed to a national approach to research and development. Each jurisdiction has accepted responsibility or to become

lead jurisdiction for a number of particular areas. South Australia is wine, grain, pig, poultry, and there are some others. We have now focused our research on those key priority areas and have let other jurisdictions conduct the lead in those areas that have been nominated. I have just been advised that Monarto is just vacant land.

Ms CHAPMAN: That brings me to Lenswood.

The CHAIR: We will move on; the member for Ramsay has a question, I understand.

Ms BETTISON: I refer the committee to Budget Paper 4, Volume 4, Agency Statements, page 134. Biosecurity SA undertakes surveillance to ensure preparedness and responsiveness to diseases and pests such as fruit fly. What does Biosecurity SA do to undertake such work?

The Hon. G.E. GAGO: South Australia is the only Australian mainland state or territory that is acknowledged to be fruit fly free for both Mediterranean fruit fly and Queensland fruit fly. We have been able to maintain this freedom status despite a major increase in the number of fruit fly outbreaks in the eastern states in recent years. Biosecurity SA continues to remain vigilant in order to keep South Australia's Riverland production area fruit fly free.

Area freedom status for fruit fly has significant advantages for South Australia's \$675 million horticulture sector and for the community. The state's investment in preventing fruit fly incursions during 2012-13 was approximately \$5 million from state government funding. This provides quarantine border controls, community awareness, surveillance and eradication efforts. It represents about one-third of the state government's total investment in Biosecurity SA.

The vigilance and involvement of the South Australian public is obviously a very essential element in our fruit fly program, helping to ensure that the public is aware of the risks to industry posed by these pests, and the steps that need to be taken to help maintain our fruit fly free status.

Fruit fly freedom means savings for growers and packers from reduced area of pre and post harvest chemicals as well as fewer treatments required by some markets which are more sensitive to the presence of these pests and, in addition, it enables home gardeners to grow fruit and veg free of fruit fly larvae.

To further protect our reputation, the 2013-14 budget includes \$1 million, over four years, for additional fruit fly prevention. My agency has commenced discussions with the industry on projects that might be suitable for implementation through that program.

Ms BETTISON: I refer the committee to Budget Paper 4, Volume 4, Portfolio Statement at page 122. What is the South Australian government doing to support the wine industry in line with the premium food and wine priority? We have already discussed phylloxera free.

The Hon. G.E. GAGO: Well done; I do not know why my portfolio has all these terrible names that are impossible to say, particularly quickly. Premium food and wine from our clean environment is one of the government's seven strategic priorities: \$10.3 million in new funding projects have recently been announced, including premium food and wine innovation clusters and realising opportunities in China in food, wine and capability development.

In addition to these projects that support the wine industry, state government funding was previously made available for market development programs. The wine industry received \$1 million in funding over four years, commencing in 2011.

The South Australian Wine Industry Association is the project manager of this funding and is responsible for ensuring targeted delivery of outcomes for the industry. This year the funding will support a China promotion strategy aimed at promoting South Australian wine to influential Chinese buyers and promoting South Australian premium wines to key export markets. Further activities are planned in relation to 'Adelaide, Australia's Wine Capital' project and, of course, we are going to host our Savour Australia, the largest and most comprehensive Australian wine forum ever undertaken. We have provided funds for that.

All of this support comes on top of the government support for seven grape and wine industry funds established under the Primary Industries Funding Schemes Act and those funds invest almost \$4 million a year into the state's grape and wine industry sectors. There are a number of other areas. There are two projects, one of which is an awareness campaign to educate grape growers and winemakers of their rights and obligations under the Wine Grapes Industry Act; the other one is developing a single online tool to reduce the red tape associated with the multitude of spray diaries that grape growers are currently required to use.

In addition, we are assisting in fostering close relations with business contacts in the Fujian Province in China, including by hosting a delegation of Chinese businesses, who met with South Australian winemakers. I was also pleased to lead a delegation to China recently. The Premier also led a similar delegation in April, which included the South Australian Wine Industry Association and representatives of three South Australian wineries. This trip explored investment and trade opportunities for the wine industry in South Australia.

Ms CHAPMAN: It is pleasing to hear, minister, that you are going to educate the Chinese. The last time the member for Chaffey and I were there, they served us Grange Hermitage chilled! They proudly displayed that they had—

The Hon. G.E. GAGO: At least they didn't put lemonade in it.

Ms CHAPMAN: So, that's sounding good. Can I just go back to Lenswood because, under the national restructure of research according to region, I think that cherries are now going to be looked at in Tasmania; they have the headquarters for that—

The Hon. G.E. GAGO: That's right.

Ms CHAPMAN: —and apple and pear, I think, are in Victoria, if I remember rightly from some of my constituency who specialise in this area. So, Lenswood, is that now surplus to requirements, or what is happening with that?

The Hon. G.E. GAGO: No. I am advised that we have not declared it surplus to requirements, notwithstanding its operational deficiencies; for example, its being located in a bushfire-prone area and it is also in a location that has very poor mobile phone coverage. But, no, we have not declared it surplus to requirements.

Ms CHAPMAN: What do you plan to use it for this year?

The Hon. G.E. GAGO: We are going to use it for germplasm experiments for the next 18 months.

Ms CHAPMAN: I am sure that my local electorate will be thrilled to hear that—not.

The Hon. G.E. GAGO: There you go.

Ms CHAPMAN: If I can now refer to page 121. We are back on the expenses for the whole of the division. Minister, is there any provision for the identification of registered owners of rural property in South Australia, in particular, foreign persons and companies, and, if so, how much and when do you expect that to be completed?

The Hon. G.E. GAGO: No, South Australia, at this point in time, is not looking at developing up a landowner register for the state, to the best of my knowledge anyway.

Ms CHAPMAN: Same page: is there any provision for the payment of carbon tax in the 2013-14 year and, if so, how much—and this is by your department?

The Hon. G.E. GAGO: I am advised no.

Ms CHAPMAN: No?

The Hon. G.E. GAGO: I am advised no.

Ms CHAPMAN: So, any operation of your vehicles and equipment or electricity costs—any carbon tax on that? Is, somehow or other, your department exempt?

The Hon. G.E. GAGO: I am advised that it is estimated overall costs and that it will be incorporated as part of those estimated overall costs, not as a separate amount.

Ms CHAPMAN: It is just that you have estimated these in the division's costs, including intergovernmental transfers, the provision of supplies and services. I am happy for you to take it on notice, but I would like an answer as to what the department's estimate is for the purposes of this forthcoming financial year.

The Hon. G.E. GAGO: Okay; we can take that on notice.

Ms CHAPMAN: Specifically, there is provision for supplies and services from \$57 million, in round terms, down to \$50.6 million budgeted for this year. Obviously, that is a significant drop for the provision of supplies and services. What has been deleted, or what was the basis of those cuts?

The Hon. G.E. GAGO: I am advised that efficiencies to meet budget saving targets in 2013-14 of \$1.5 million are:

- The new Agribusiness and Regions division incorporates aquaculture, food, wine, forestry policy and regional development, with efficiencies made in all areas, including the consolidation of PIRSA's policy advice areas.
- The new departmental division of Agribusiness and Regions has been reoriented to eliminate duplication and overlap and be more proactive regarding the needs of agribusiness in regional communities. Examples include: establishing new roles for seven agribusiness account managers in the areas of horticulture, seafood, wine, meat, livestock, grains, food processing and forestry and five regional managers to serve industry, businesses and the South Australian regional communities and drive government strategic priorities.

The budget increase in cost recovery from industries is \$2.5 million. The 2012-13 Mid-Year Budget Review noted a savings measure where more services provided to agriculture, food, wine and industries are to be cost recovered, whilst \$2.5 million of revenue associated with this proposal remains in PIRSA's forward estimates. Upon review of further opportunities for cost recovery, it is anticipated that the savings requirement will be addressed via reprioritisation of service delivery and implementation of administrative efficiencies to eliminate any duplication and overlap.

In terms of supplies and services, I will give some examples of some of the detailed program impacts. They are:

- the completion of the National Feral Camel Action Plan in 2012-13, resulting in a reduction in expenditure of about \$1.7 million;
- lower expenditure of \$0.7 million due to program efficiencies for the supply of sterile Mediterranean fruit fly in 2013-14;
- winding up of the Branched Broomrape Eradication Program during 2013-14, resulting in decreased expenditure of around \$0.6 million;
- a once-off reduction in budgeted program expenditure of \$0.5 million in 2013-14 flowing from budgeted reduction in commercial fishing licence fees;
- a once-off expenditure of \$0.5 million in 2012-13 primarily from the Fisheries Research and Development Corporation for the delivery of aquaculture projects largely delivered by SARDI;
- lower expenditure of around \$0.4 million from the Fisheries Research and Development Corporation for various projects;
- a lower expenditure of \$0.1 million for the National Collaborative Research Infrastructure Strategy photobioreactor project;
- once-off external funding of \$0.1 million for a variety of biosecurity projects; and
- reduced expenditure of \$0.1 million due to carryover expenditure funded by increased revenue from industry in 2012-13 largely related to sheep industry projects for surveillance and disease control.

Those are just some examples.

Ms CHAPMAN: Is there any provision for the assessment of the impact of the carbon tax on the primary industries for which you are responsible and, if so, how much is allocated for that purpose? Will that be done in-house, or by external consultants?

The Hon. G.E. GAGO: I am advised that, no, we do not intend to do any specific analysis on this.

Ms CHAPMAN: Have you as a member of cabinet requested that anyone in the government do any work on that if your department does not do it?

The Hon. G.E. GAGO: Are you asking in relation to primary industries?

Ms CHAPMAN: Yes.

The Hon. G.E. GAGO: Not that I am aware of.

Membership:

Mr Pederick substituted for Mr Hamilton-Smith.

Ms CHAPMAN: Referring to page 122, you mentioned the value of agribusiness investment in the trade line, which is obviously a principal objective of your government. In promoting this to trade, has the department established a database of industry stakeholders to identify those in food and wine for the purposes of developing that?

The Hon. G.E. GAGO: I have been advised that, yes, we are working with Food SA in identifying interested or relevant stakeholders. In relation to those businesses we called for expressions of interest from—food and wine businesses that might want to express interest in our negotiations on improving our export markets in China—

Ms CHAPMAN: So at this stage they are the associations representing the various industries or are they individual companies or operations?

The Hon. G.E. GAGO: Individual companies.

Ms CHAPMAN: Is the database going to be available?

The Hon. G.E. GAGO: My understanding is that it is being established now. The data that is available now is available publicly. I am advised that it has not been designed for publication but for our own use.

Ms CHAPMAN: I understand that, but will you make it available?

The Hon. G.E. GAGO: I do not think our intention was to make it publicly available. However, for those projects, such as China exports, when we called for expressions of interest then, we were explicit with businesses about what we were going to use that information for, and they gave us permission to use the information in that way. So you really have to be careful. You have to obtain permission from businesses for the use of their data. At the moment we are collecting our own internal data for our own use. As with the China projects, we made it quite clear what we were going to use the data for, and those businesses agreed to allow us to share their information with business delegates from China, and we exchanged information with them.

Ms CHAPMAN: I was really just thinking of names and addresses, not particular information about their business and what opportunities they want to pursue in China; but in any event, no?

The Hon. G.E. GAGO: No.

Mr ODENWALDER: I refer to Budget Paper 4, Volume 4, page 131. Minister, how will South Australia benefit from being a member of the Animal Welfare Science Centre?

The Hon. G.E. GAGO: Thank you for your question. The Animal Welfare Science Centre was launched in 1997 and is a pre-eminent scientific body in Australia in animal welfare, research, development and extension. It is a collaborative centre between Victoria, the Department of Environment and Primary Industries, the universities in Melbourne, the Ohio State University and now SARDI and the University of Adelaide. The centre has bases in Melbourne, Columbus (Ohio, USA) and Roseworthy. It delivers research, development, education and training in animal welfare to livestock industries, companion animals and zoos. With South Australia joining the centre, it will have the largest animal welfare capability in Australia and the second largest in the world.

South Australia contributes over half of this capability through SARDI's division of livestock and farming systems, and the University of Adelaide School of Animal and Veterinary Science. The South Australian livestock industries will benefit directly from research and development in animal welfare that will be directed and nurtured through the AWSC. A direct result will be improved welfare in livestock industries that will meet community expectations but also increase the sustainability of the industries. Proof that welfare is directly linked to increased productivity: this will occur in the pork, chicken meat, egg and red meat industries in South Australia.

South Australia has a major commitment to the intensive industries where South Australia is the major provider in pigs and poultry research under the Primary Industries Standing Committee and National Primary Industries RD&E Framework. SARDI, on behalf of PIRSA, is the national agency sponsor for the PISC National Animal Welfare RD&E Strategy Implementation Committee. In joining the AWSC, South Australia takes a major role in pigs and poultry strategies, and helping to shape and implement the National Strategy for Animal Welfare positions South Australia as the centre nationally for intensive animal RD&E in animal welfare.

Ms BETTISON: I refer to Budget Paper 4, Volume 4, page 132. How is Rural Solutions SA contributing to a strong agribusiness sector?

The Hon. G.E. GAGO: Rural Solutions is a key division of the Department of Primary Industries and Regions. It works closely with industry groups and representative bodies to deliver information services, on farm innovation trials, services and increased adoption of innovation practices, risk management, planning and training. Clients' partners include the Agricultural Excellence Alliance members, Aquaculture Bureau of South Australia, and Primary Producers SA.

Rural Solutions receives funding from the Agricultural Research and Development Corporation such as Meat and Livestock Australia, Australian Wool Innovation, and Grains Research and Development Corporation to ensure that our extension activities are current and beneficial to agribusinesses in SA. Rural Solutions is contracted to deliver essential projects to the South Australian agribusiness sector on time and on budget.

Through Rural Solutions extension programs such as SheepConnect, Future Farm Landscapes, Soil Smart, etc., we are driving agriculture productivity in SA. SheepConnect SA helps our producers improve grazing practices by providing timely technical information to assist in on farm management decisions as well as good support for learning activities. Future Farm Landscapes sponsored by AWI and Caring for our Country is an original Rural Solutions extension program that assists SA farmers to plan and make informed decisions for their farming businesses regarding the emerging market, understanding the value of biodiversity and protecting land that needs to be preserved for livestock and crop production. It demystifies the issue of carbon by providing the latest scientific information relating to soil carbon, the storing of carbon in vegetation and carbon marketing. As well as being part of SA's priority premium food and wine from a clean environment, Rural Solutions is also involved in addressing a number of other strategic plan agribusiness and environmental targets.

Ms CHAPMAN: I refer to pages 122 and 124. Minister, you have spoken already of the premium food and wine innovation clusters, so we have some questions about them. Before we do, I would like some clarification as to what is premium food and wine as to the extent of definition. Are we talking about lamb but not mutton, crayfish but not sardines, wine and not beer? What is the deal with regard to what is premium food and wine?

The Hon. G.E. GAGO: The word 'premium' obviously means different things to different people.

Ms CHAPMAN: Well, I am asking what it means to you and your department.

The Hon. G.E. GAGO: Well, if you stop interrupting, I will continue with my explanation. It obviously means different things to different people. At the core of it, it obviously means that it captures value of some kind. For instance, for some, 'premium' reflects certain objective qualities, such as, for instance, our grain has a high level of certain proteins in it, which means that it is highly regarded and highly rated and produces a premium rate. It might mean our award winning wines, for instance—certain international acclaim recognised by awards or particular wine writers putting out statements about wines.

It can mean different things, but it also captures those sort of credence values on which consumers are becoming more and more focused—things like that it is produced locally or that it might be grown with a minimal amount of pesticides or chemicals. We have seen significant debate around free-range eggs, so those sort of values.

Also there is the issue of animal welfare, and, also, human rights with regard to decent wages being given to workers in safe environments, etc. So, depending on the market, what we are encouraging producers to do is to be able to identify those values that matter to particular markets, and to be able to develop those traits to a point that differentiates that product from other competitive products.

Ms CHAPMAN: Doubtless, minister, that would be a very subjective assessment for all of us. When people come forward to go on the list to be considered in the cluster, or to have a product that is at that premium level, which in general terms you have outlined as the sort of things that might be indicative as to whether you get through the gate-keeping process to be considered in the cluster, does your department have some sort of checklist of things you have to get to get on the list, or how will it work then?

The Hon. G.E. GAGO: It is simply about being able to indicate that it is valued in the marketplace. For instance, tuna is a really good example: we used to process it, put it in a can and send it off. Now we have stopped doing that, and we now have this premium natural product that is

basically hand fed, hand captured and carefully carried out of the pens and is worth an absolute small fortune in some markets. It could mean value adding or it might mean—

Ms CHAPMAN: Can we just go to the other side of it?

The Hon. G.E. GAGO: I haven't finished. I haven't finished my answer yet.

Ms CHAPMAN: In your answer, could you just consider this?

The Hon. G.E. GAGO: I haven't finished. I don't interrupt you. It can mean going both ways, and that is value-adding, increasing the level of processing and activities, or even simplifying, as with tuna, and going back to a natural product that can generate significant value in the market.

Ms CHAPMAN: So can you give me some examples of things that wouldn't be, that are consumed by humans but would not be on the list? Do sardines get a look in or do you have to be up at a higher level?

The Hon. G.E. GAGO: There's no list.

Ms CHAPMAN: Okay. So, for premium food and wine, so that we are clear about it, anyone who applies—you might have low-level mushrooms, you might have cask wine—can go up and say, 'Listen, my product is fantastic,' and even if you a wheat grower and there are an enormous amount of chemicals on it, it is very important for the state, so they get on the list. Do you see what I mean? I just want to know, for the purpose of doing these clusters, who is going to be involved and who is going to be excluded, if anyone? Or is it first in, first served?

The Hon. G.E. GAGO: This initiative is actually aimed at local businesses attempting to enhance their working together and increasing agribusiness productivity, competitiveness and improving investment opportunities. We will appoint cluster coordinators from PIRSA to help facilitate the development of new premium food and wine industry clusters. An awareness program will be put together so that industry is aware and can understand what this development is all about.

Interest in these clusters will be driven by industry, not PIRSA, so it will be those industries that can see some benefit from aligning with other similar businesses, where that alignment could provide better leverage or marketplace positioning. It is industry-driven and we will assist those industries that are interested to come together and partner up with, as I said, similar businesses to provide better market positioning and leveraging. There is no list; there are no criteria. We will be assisting those industries that are interested and motivated to do it.

Ms CHAPMAN: Whoever comes forward—so even if I make a really, to be frank, crap product, and it is not really very saleable, and I think, 'Well, this is a chance; I'll get on to that new cluster person and get on the list.'

The Hon. G.E. GAGO: There is no list.

Ms CHAPMAN: Sorry—I will ask him for assistance. There is no gatekeeping role, it does not matter what I produce, I will be taken into account. Is that the sort of deal? As long as it is eaten by humans—is that the deal?

The Hon. G.E. GAGO: No, I think you are being somewhat oversimplistic. A business might come forward and indicate that it might see itself benefiting from partnering with other local businesses. Our coordinator can help facilitate businesses coming together but if someone is offering—to quote you—a crap product, I cannot imagine there are going to be many other business partners who are going to be interested in partnering with that business. PIRSA is not the gatekeeper; we are trying to facilitate businesses to come together. Those products that obviously have significant market potential are going to attract greater market partners than those lower quality products.

Ms CHAPMAN: Some might say, minister, that in fact those who have a premium product—what perhaps you and I might understand as being high quality, with the standards that you have indicated—may be out there in the marketplace and developing their own opportunities in any event. It might be prime beef, for example, and in fact in terms of your people in the field who are going to be coordinating these clusters, it is someone with a substandard product that is perhaps more likely to waste their time in trying to accumulate, because what you are saying to me is that these personnel are not going to be turning anyone away.

They might soon find that nobody wants to partner with them and nobody wants to have their beautiful cheese with a cardboard carton of wine, for example, that is terrible and tastes like

vinegar. I just want to know whether there is going to be any way of identifying whether your departmental people are going to be wasting their time by these sorts of applications which they may think are magnificent but which have no benefit to the state.

The Hon. G.E. GAGO: I can only reiterate that the cluster concepts have come from industry, not PIRSA.

Ms CHAPMAN: Yes, I understand that.

The Hon. G.E. GAGO: One region will be based on the South-East Economic Diversification Forum and the outcomes that came from that, so that has already identified a range of opportunities in the region and the other one is the Riverland and Murraylands producers grape and wine association concept. So, there has already been considerable work done by the industry in both of those regions that will help provide some sort of guidance and direction to industries about opportunities to go forward.

Ms CHAPMAN: Will there be some of that material on the website so that Mr and Mrs X, who might be making some product that they think is fantastic but which fails on palate tests, across to any kind of chemical-free, animal cruelty-free, all of those things that are meritorious, can view the guidelines? Is there going to be some sort of guideline, so that you can weed out the ones that are not going to be able to be constructed and just waste the time of your departmental personnel?

The Hon. G.E. GAGO: I have already indicated a number of times that there is no list.

Ms CHAPMAN: No, I did not ask you that. I asked whether you are going to put something on the website to give an indication to the world at large in these regions that you have identified as to whether they are likely to get up or not, these data that you have said are—

The Hon. G.E. GAGO: It is not a matter of getting up or not. You are just missing the point altogether. You have got it wrong.

Ms CHAPMAN: Okay, well can we move to—

The Hon. G.E. GAGO: You have just completely missed the point and I do not think I can—

Ms CHAPMAN: Is it planned that you have two people per region?

The ACTING CHAIR (Mr Odenwalder): Member for Bragg! The member for Ramsay has been very patient.

The Hon. G.E. GAGO: It is very simple. This is not rocket science. It is not that complex.

Ms CHAPMAN: I will not be rushing there with my sardines then.

The ACTING CHAIR (Mr Odenwalder): Member for Ramsay.

The Hon. G.E. GAGO: There is nothing wrong with sardines.

Ms CHAPMAN: Good, I am glad you said that.

The ACTING CHAIR (Mr Odenwalder): Order! Member for Ramsay.

Ms BETTISON: I refer the committee to Budget Paper 4, Volume 4, Agency Statements, page 131. What is SARDI doing to look at water use efficiency to assist horticulture and viticulture?

The Hon. G.E. GAGO: Thank you for the question. SARDI currently has a number of research development activities to assist horticulturalists and grape growers in improving on-farm water use efficiency and use of water resources. SARDI has worked closely with the wine, grape and citrus industry in the Riverland over the past six years to best manage water resources during drought periods to minimise impacts on any future reductions of water resource allocation.

On the Northern Adelaide Plains, SARDI is investigating best management options for the use of Bolivar reclaimed water in the almond industry to ensure long-term sustainability of almond production in the region. SARDI is investigating novel ways of improving the effectiveness of winter rain in leaching irrigation applied salt from plant root zones, and the outcome of this work will be broadly applicable across all horticulture production in SA.

SARDI is developing management practices for wine grape growers to guide them in the most efficient use of scarce water resources during heatwave events and years of reduced winter/spring rainfall, and this work is attracting national recognition. SARDI is currently developing

further potential projects with the almond and citrus industries on improving both the water and fertiliser use efficiency of commercial orchards in the Riverland.

Ms BETTISON: I refer to Budget Paper 4, Volume 4, Agency Statements, page 129. What role is SARDI taking in the newly announced Great Australian Bight Collaborative Research Science program?

The Hon. G.E. GAGO: Thanks for the question. SARDI is playing a lead role in the Great Australian Bight Collaborative Research Science Program, which is a \$20 million four-year study to improve our understanding of the environmental, economic and social values of the Great Australian Bight (GAB). The program is a collaborative research partnership between Marine Innovation South Australia and partners SARDI, the University of Adelaide and Flinders University, along with the CSIRO and BP Australia.

The program will be undertaken at the same time that BP Australia explores the potential oil and gas reserves in the deep waters of the central Bight, and I am advised that the science program is one of the biggest of its type ever undertaken in Australian marine ecosystems, with 18 projects across seven themes involving over 40 MISA scientists.

SARDI scientists lead or colead five of the ecological themes and seven of the 11 ecological projects in the science program. Projects cover benthic biodiversity, oceanography, pelagic ecology and iconic species of the GAB. This program represents a unique and cost-effective approach forged between industry and science to increase the current understanding of the Great Australian Bight for the benefit of all stakeholders. The leading role that SARDI scientists are taking in this globally significant study reflects South Australia's position as a national leader in applied marine science to support the sustainable utilisation of aquatic habitats and resources.

Ms CHAPMAN: Back to the clusters: are these the same clusters that the Minister for Manufacturing, Innovation and Trade, minister Kenyon, announced in collaboration with Food SA?

The Hon. G.E. GAGO: I am advised that no, minister Kenyon's project is quite separate from this, involving food processing. I think it is in partnership with the Waite Institute.

Ms CHAPMAN: Back to yours: are the personnel administering this cluster proposal existing employees in the department who are going to be given a special role? How many are there and are they going to be posted to the regions? I think you mentioned Murraylands, Riverland, South-East and the Limestone Coast in your opening statement. There may be others but perhaps you can identify the structure of how the staff are going to work and whether they are going to be transferred from the department or whether there are going to be new people.

The Hon. G.E. GAGO: The details of that are still being discussed with the industry. We intend to provide some sort of coordinator-type role function in both of the regions. How that is structured will depend on dialogue with the industry to see what its needs are.

Ms CHAPMAN: I may not have heard it all, minister, but in your opening statement I thought you mentioned three regions.

The Hon. G.E. GAGO: Two.

Ms CHAPMAN: So it is just the Riverland/Murraylands area and the Limestone Coast. There are no other food clusters across the state that you are considering.

The Hon. G.E. GAGO: No. These are acting as a pilot project.

Ms CHAPMAN: At this stage you have not decided how many people you are going to have allocated but you have a budget for it?

The Hon. G.E. GAGO: Yes, we have.

Ms CHAPMAN: How much is the budget?

The Hon. G.E. GAGO: It was announced in the budget.

Ms CHAPMAN: I did not notice it. There was one for China.

The Hon. G.E. GAGO: It is \$1.05 million.

Ms CHAPMAN: Over four years?

The Hon. G.E. GAGO: For 2013-14. It is \$2.7 million over the first five years, commencing immediately. It is new money.

Ms CHAPMAN: Can you give a breakdown of the years for that?

The Hon. G.E. GAGO: Over the five years?

Ms CHAPMAN: Yes. For the forward estimates; it is your budget.

The Hon. G.E. GAGO: It is five years starting this financial year.

Ms CHAPMAN: Correct.

The Hon. G.E. GAGO: If you want me to read them out I will.

Ms CHAPMAN: I don't know what is funny about it, minister. That is why we are here.

The Hon. G.E. GAGO: For 2012-13, 2013-14, 2014-15, 2015-16, 2016-17.

Ms CHAPMAN: Yes, and how much for each?

The Hon. G.E. GAGO: I have just told you: \$2.7 million.

Ms CHAPMAN: Over five years.

The Hon. G.E. GAGO: Yes.

Ms CHAPMAN: How much in each is my question?

The Hon. G.E. GAGO: It is 91; 1.054; 0.502; 0.508; and 0.516.

Ms CHAPMAN: That is it; thank you. Excellent, I might sign up. If I could go to page 122, again, this question of the new initiative funding for realising the opportunities in China. For that proposal there had been an announcement in the budget speech for \$2.5 million. I assume that is over the forthcoming four years. Page 7 of the budget speech allocates that. My question is: will this fund two staff and will one be in South Australia and the other in China?

The Hon. G.E. GAGO: It is \$2.5 million over three years.

Ms CHAPMAN: Over three years.

The Hon. G.E. GAGO: Yes—and this is based on signing an MOU with the Fujian provincial government. It is about enhancing bilateral collaboration and investment in new agriculture technology and also promoting trade of premium South Australian food and wine products. It is in partnership with the China-Australia Entrepreneurs Association and the Australia China Business Council. Initial discussions have progressed, and work is now underway in developing South Australian food hubs in the Fujian region to service the consumers in that region and obviously the large number of tourists who visit. Again, the details of the staffing are still being discussed; so that has not been finalised. I am advised that it is likely to be one new FTE, and we are still working out where they will be located.

Ms CHAPMAN: One new FTE. Does this integrate with SARDI-Flinders University's safe food chain collaboration?

The Hon. G.E. GAGO: I am advised yes.

Ms CHAPMAN: So, that project will still continue?

The Hon. G.E. GAGO: That is a matter for the university.

Ms CHAPMAN: Well, SARDI is with you.

The Hon. G.E. GAGO: Sorry, yes. But Flinders University also has a project going with the Fujian Province. A representative from the university came with us on one of our delegations; I thought you were talking about that. The details of that—

Ms CHAPMAN: So, that is going to continue, along with yours?

The Hon. G.E. GAGO: As far as I am aware, yes. But those negotiations between the Fujian Province and Flinders, although we have obviously encouraged and tried to enhance that partnership, the details of that relationship are a matter between the department of agriculture and Flinders, but I understand that it is progressing well.

Ms CHAPMAN: Is there any involvement of DMITRE in this project of yours?

The Hon. G.E. GAGO: I am not too sure what you mean by 'involvement'. They are providing us with advice, and obviously they have networks and contacts that they are sharing with us. I am not too sure what the capacity—

Ms CHAPMAN: Can I say that the shadow minister has had a briefing from Mr Ian Nightingale on this matter. He is not in your department. Is he going to continue to be in charge of this project or is it going to be transferred to your department to look after, or what is happening?

The Hon. G.E. GAGO: No. My chief executive, Scott Ashby, is leading the project. The role that Mr Ian Nightingale is playing in his new role as Industry Participation Advocate (IPA) is to do with developing greater potential for local procurement. So—

Ms CHAPMAN: He gave a briefing on this project?

The Hon. G.E. GAGO: I haven't finished my answer yet. In relation to procurement potential here in South Australia with China, he obviously has had input into those matters; so there is a crossover. But in terms of those other elements to do with the project, Mr Scott Ashby is in charge.

The CHAIR: Member for Little Para.

Mr ODENWALDER: Thank you, Madam Chair. I refer the minister to Budget Paper 4, Volume 4, page 129. How will South Australia benefit by hosting the Australian Pastures Genebank?

The Hon. G.E. GAGO: Australia is custodian of the world's largest and most globally significant collection of pasture and forage seed collections. These collections consist of some 90,000 varieties held in different state-based collections; over 25,000 of these are unique forage species not available anywhere else in the world. Australia is required to share in a fair and equitable way seed of these species, as requested, with treaty partners, under the International Treaty on Plant Genetic Resources for Food and Agriculture.

Agreement has now been reached with all states to consolidate the collections into one national collection to be housed in the South Australian Research and Development Institute Plant Research Centre at the Waite Campus. The South Australian government will contribute and maintain the available infrastructure to accommodate this expanded collection.

The operating costs of the Australian Pastures Genebank will be funded through a joint arrangement between Meat & Livestock Australia, Grains Research and Development Corporation, Dairy Australia, Australian Wool Innovation and the Rural Research and Development Corporation. The Australian Pastures Genebank will be the national hub for pasture and forage plant genetic resources in Australia, improving the effectiveness and efficiency of new genetic material.

The establishment of this facility here in Adelaide is a testament to the national and international recognition of SARDI's work over the years in pasture breeding and germplasm conservation. South Australia's reputation and identity as the focus for international research efforts which support increased global productivity and food security, and adaptation of farming systems to address climate variability, is greatly enhanced by the decision of this state to be the custodian of this internationally significant collection.

Ms BETTISON: I refer to Budget Paper 4, Volume 4, Agency Statements, page 129. How is SARDI's work helping the South Australian citrus industry to access export markets?

The Hon. G.E. GAGO: The emphasis on consistent, high quality, fresh citrus fruit, both domestically and internationally, has presented huge challenges to growers and packers. SARDI has provided ongoing technical advice and practical research to assist the citrus industry in meeting pest quarantine standards and satisfying the quality standards of global retail chains and consumers. SARDI research has assisted in a number of things, including:

- the development, in conjunction with Caltex Australia, of food grade oil to disinfect fruit for surface pests. This product has overcome quarantine issues in vital fresh citrus markets in Japan and the USA;
- facilitation of access to the US market by demonstrating area freedom from mealy bug pests;
- devising an integrated management package for the small brown snail;
- opening access to Eastern Asian markets by devising an integrated orchard management program for Fuller's rose weevil to meet these markets' requirements for orchard freedom for China or nil tolerance weevil eggs on imported fruit to South Korea and Thailand; and

- the achievement of increased volume and size of export quality fruit through the development of the integrated pest management program for Kelly's citrus thrips, a major pest which causes cosmetic blemish and market downgrade.

Also, the increasing intolerance of consumers to agricultural chemical residues creates a unique set of challenges, and SARDI is working closely with citrus packers to reduce their reliance on synthetic fungicides while still maintaining fruit integrity.

Ms CHAPMAN: I refer to page 122, which relates to SARDI's Graduate Access Program and food technology program. How long has the program been running and why has it been transferred to SARDI if it is not part of this collaboration that the minister is talking about?

The Hon. G.E. GAGO: I will have to take that on notice. I do not know how long it has been running and I am not sure about its movements.

Ms CHAPMAN: Thank you. Again, I refer to page 122. You did mention, minister, the cost recovery from industry of \$2.5 million. Can you identify what industry or industries have paid the extra money and, if it is more than one (which I assume it is), how much each has contributed to that \$2.5 million? If it is not immediately your fingertips, I am happy for you to take it on notice.

The Hon. G.E. GAGO: In relation to that budgeted increase in cost recovery from industry in 2013-14, that \$2.5 million that you refer to, the 2012-13 Mid-Year Budget Review noted a savings measure where more savings provided to agriculture, food and wine industries are to be cost recovered. While the \$2.5 million revenue associated with this proposal will remain in PIRSA's forward estimates, upon review of further opportunities for cost recovery, it is anticipated that savings requirements will be addressed via the reprioritisation of service delivery and implementation of administrative efficiencies to eliminate any duplication and overlap. It is unlikely that all of it will be coming from cost recovery.

Ms CHAPMAN: Are the budget papers not right, then? They have actually specifically allocated \$2.5 million from industry. There are other savings and efficiencies and things that are demonstrated there but this is specifically for cost recovery from industry. Even if you achieve that—some extra money drops out of the sky or the Treasurer gets generous, or whatever—could you indicate how that \$2.5 million is broken up, as to what industry is at least budgeted to have to take it up?

The Hon. G.E. GAGO: In terms of the \$2.5 million, that was Treasury's estimate of what they believed PIRSA might be able to achieve. I am just letting you know that it is unlikely that we will be able to achieve all of that \$2.5 million from cost-recovery measures. Treasury is comfortable, as long as we are able to deliver final savings to that.

Ms CHAPMAN: The same net balance?

The Hon. G.E. GAGO: That is right.

Ms CHAPMAN: I understand. At this stage, you say that you think it is unlikely that you will be able to recover that from industry. Is it proposed, in any event, that it will be across all of the industries, or is it only going to be a certain number? Every industry will be included?

The Hon. G.E. GAGO: There are no specific projects that have been identified as yet, I am advised, but we continue to work with industry to try to develop new approaches.

Ms CHAPMAN: I was assuming this was not a project but a fee that you are going to charge industry, either across the board or specific industries.

The Hon. G.E. GAGO: Our cost-recovery model is established on industry contributing to a share of the costs that they benefit from as a business. That is the premise of our cost-recovery modelling and that is how we apply it, so we would be looking for those opportunities where industry is benefiting in some way.

Ms CHAPMAN: And you will charge them?

The Hon. G.E. GAGO: Yes, that is right.

Ms CHAPMAN: What do you have in mind?

The Hon. G.E. GAGO: I just answered that question. I said at this point in time we do not have any particular projects identified. We continue to consult and discuss with industry. My understanding is that we would continue with that cost-recovery model approach rather than some sort of blanket fee right across the industry.

Ms CHAPMAN: We will come back to that in a moment. On page 124, one of your targets for 2013-14 is:

- Maximise opportunities to address sustainable agricultural productivity through regional Natural Resource Management programs, the Carbon Farming Initiative and the Sustainable Agriculture stream of 'Caring for our Country'.

I am asking about the Carbon Farming Initiative. Elsewhere in the document it identifies projects that you are undertaking in a dedicated unit of agribusiness, for example. Sorry, that was regional investment. My question is: has any report been prepared yet of the work that has been undertaken and, if not, when it has been, will you release it publicly?

The Hon. G.E. GAGO: I am advised that this is a federal policy area. However, our role is to try to assist farmers to find opportunities in relation to the new carbon farming opportunities.

Ms CHAPMAN: Are you doing any research in your department in this area?

The Hon. G.E. GAGO: No, this is a facilitation role.

Ms CHAPMAN: Only facilitation; I see. There are references in each of the expenditures at page 126, but a number of other areas refer to financial commentary indicating once-off payments. I will read one of them to you:

- reinstatement of the expenditure base in 2012-13 pending cost recovery agreement with industry (\$0.4 million)

Are these just once-off grants to balance the books? Is that what these refer to?

The Hon. G.E. GAGO: I am advised that, yes, it is a once-off.

Ms CHAPMAN: A loan or a grant?

The Hon. G.E. GAGO: I am advised that it is a grant.

Mr ODENWALDER: I refer the minister to Budget Paper 4, Volume 4, page 122. Minister, what can you tell the committee about changes to the funding arrangements that support grains industry research and grains industry development in South Australia?

The Hon. G.E. GAGO: The South Australian Grain Industry Trust (SAGIT) was established in 1991 to administer a trust fund comprising the balance of voluntary research levies following the commencement of the commonwealth Primary Industries and Energy Research and Development Act 1989. The Wheat Marketing Act 1989, originally enacted to regulate the marketing of wheat, was amended in 1991 to provide for the collection of voluntary contributions to the SAGIT Fund to allow the minister to approve the SAGIT trust deed for the purposes of establishing and controlling the application of the SAGIT Fund.

Passage of the commonwealth's wheat export marketing amendment in November 2012 ended government regulation of grain marketing. Clearly, retaining the South Australian corresponding legislation served little purpose, so the WM Act has been amended to provide for its repeal, and I am advised that the SAGIT trust deed can stand alone.

Earlier this year I received written support from the chairman of Grain Producers SA, the president of SAFF (now Primary Producers SA), and the chairman of SAGIT to transfer the authority to collect SAGIT contributions from the WM Act to the Primary Industries Funding Schemes Act (the PIFS Act). The regulations to establish the PIFS Act (grains research) are being drafted. To ensure that there is no interruption to the collection of the contributions, the intention is to repeal the WM Act on the day the PIFS Act grains research scheme commences.

State specific research and development complements the national investment of the Grains Research and Development Corporation. Since 1993, the grains industry through SAGIT has invested \$17 million in 162 projects. Matching contributions from other funders has doubled that investment, so it has generated significant value.

The new scheme which supports border industry development, including advocacy, commenced on 1 March 2012, replacing the South Australian Farmers Federation grains section established by the WM Act. At the request of the grain industry, the contribution rate was then raised to 20¢ per tonne. I have approved a five-year management plan. We are currently assessing the application for Grain Producers SA for the funds from the scheme for a suite of projects that they have developed consulting with grain growers.

Ms BETTISON: I refer to Budget Paper 4, Volume 4, page 134. How are food risks managed in primary industry production? What does Biosecurity SA do to ensure primary produce and food is safe for consumers?

The Hon. G.E. GAGO: South Australia has an outstanding reputation as a producer of premium food and wine from a clean environment, clean air and healthy soils. The SA food industry holds a competitive edge in both domestic and export markets through innovation and a strong reputation for being clean and safe. Consumers can be confident in the safety and quality of the food produced in South Australia. This reputation is underpinned by impeccable food safety and quality assurance standards and systems, comprehensive food safety legislation and effective management of the regulatory system.

There are two primary pieces of legislation to support food safety—the Food Act and the Primary Produce (Food Safety Schemes) Act. These two acts complement one another with the Food Act based on national model legislation administered by SA Health whilst the primary produce act picks up national food safety standards that apply to primary production and processing here in South Australia. We have food safety regulatory schemes for the meat, dairy, poultry, seed sprouts, eggs, seafood, shellfish and citrus sectors. The focus of the food safety legislation is on protecting public health.

Biosecurity SA's food safety program regulates the production and processing of primary produce to ensure safety and suitability for human and animal consumption. It promotes sustainable primary industries. Biosecurity currently employs technical specialists with veterinary food tech, food standards and regulatory policy expertise and has extensive experience with primary processing and expert systems. Whilst applying a rigorous approach to food safety and public health, Biosecurity SA assists primary industries and allied businesses to meet standards of regulation and compliance. Food safety is one of PIRSA's key deliverables under the government's key priority of premium food and wine from our clean environment.

Ms CHAPMAN: Referring to fisheries on page 127, minister, I noticed that you are going to be giving them some extra jobs to do. As we understand from the Department of Environment—and you would be familiar with these marine parks coming in—there is some expectation that your department is going to help with the monitoring and surveillance of that. I note that you are going to have a new smartphone app to tell fishermen out there in their dinghy where they are and where they shouldn't be. The once-off project expenditure increase for the social indicators of the recreational fishing survey and other research projects cost \$300,000, according specifically to page 128. Can the minister tell us what those social indicators are? Is there a report and are we ever going to see it publicly?

The Hon. G.E. GAGO: I am advised that this was a federally funded project through the FRDC (Fisheries Research Development Corporation), and I have been advised that the final report will be made publicly available. In relation to a previous question, I have been able to find some information that I will put on the record in relation to carbon costs. I have been advised that high-level Treasury modelling determined that PIRSA would be impacted by approximately \$200,000 in 2013-14 as a result of the implementation of the carbon tax, and we have received additional appropriation to meet that cost.

Ms CHAPMAN: So the social indicators survey in particular was done to support a federal initiative of some kind. I take it that it was something to do with their marine parks or was there some other reason they were doing federal work?

The Hon. G.E. GAGO: I have been advised that there is no direct relationship with marine parks, but it was a state-based project, albeit funded through federal funding, really just to survey our rec fishers to understand why they like to go fishing and other issues around their fishing habits.

Ms CHAPMAN: Will that survey be published?

The Hon. G.E. GAGO: Did I not say that a final report will be placed on the web? I have already answered that.

Ms CHAPMAN: But the survey itself? Are you doing some sort of summary on it, are you?

The Hon. G.E. GAGO: As I have said, there will be a final report and that will be made available online.

Ms CHAPMAN: Any time frame on that?

The Hon. G.E. GAGO: No, soon.

Ms CHAPMAN: And the legal costs at the top of page 128 of \$300,000 for provision of legal advice and representation of the Crown Solicitor's Office—what is that for?

The Hon. G.E. GAGO: I am advised that previously the Crown did not charge agencies for the work that they did. That policy has now changed, and they now charge agencies for any advice that is requested of them.

Ms CHAPMAN: I did not think that was a new policy, minister: I think it has been going on for years, but perhaps you have not had any legal bills to pay.

The Hon. G.E. GAGO: No, on my understanding is there has been a change in the way Crown charges agencies.

Ms CHAPMAN: Well, what was this for?

The Hon. G.E. GAGO: I am advised prosecutions.

Ms CHAPMAN: Anything to do with the buyout for the rock lobster?

The Hon. G.E. GAGO: The advice I received is no.

Ms CHAPMAN: And do you have a separate bill to come for that?

The Hon. G.E. GAGO: Well, there is not a prosecution going on, is there?

Ms CHAPMAN: No, I am not suggesting they are being prosecuted, but legal advice on establishing the arrangements for a buyout?

The Hon. G.E. GAGO: I am advised no.

Membership:

Mr Venning substituted for Mr Griffiths.

Ms CHAPMAN: Page 129, still on fisheries, minister, relates to developing and implementing compliance programs, etc., for snapper and garfish in the Upper Spencer Gulf area. Actually, just before I ask about that, can the minister advise why there is no reference to the northern rock lobster management plan? Earlier on that page, at point 1, there are new management plans for each of the commercial areas, but there is no mention of the northern zone rock lobster.

The Hon. G.E. GAGO: I have been advised that the Fisheries Council of South Australia has prepared a draft management plan for the northern zone rock lobster fishery with the assistance of the Rock Lobster Fisheries Management Advisory Committee. The Rock Lobster Fisheries Management Advisory Committee has requested that the Fisheries Council of South Australia seek a suspension on further development of the management plan as a result of the impacts of the marine parks sanctuary zones on fisheries.

PIRSA is currently undertaking commercial fisheries catch effort reduction program to remove displaced effort in the northern zone rock lobster fishery as a result of the introduction of marine park sanctuary zones. The implementation of mandatory use of sea lion exclusion devices from 1 November 2013 has been agreed by the Rock Lobster Fisheries Management Advisory Committee to mitigate the risks of fishery interactions with sea lions. However, detailed components of these devices are still subject to further consideration.

Ms CHAPMAN: I expect that, once the buyout issue has been resolved, it is expected that there will be a management plan published?

The Hon. G.E. GAGO: I would expect so.

Ms CHAPMAN: Going back to the provision for the snapper fishery, will the minister be implementing a new spatial and temporal closure for snapper for the 2013-14 snapper season in South Australia? If so, has the government performed an economic and social cost analysis of the regional towns, such as Ardrossan or Port Broughton, if it goes ahead with the plan?

The Hon. G.E. GAGO: We have done considerable work in relation to our snapper stock. It is obviously an iconic species and it has significant importance to both the community and the industry. Commercially, it is an important species. We introduced new arrangements back in 2012 to help control the level of commercial catch and minimise the disturbance of annual spawning aggregations so that opportunities for spawning and recruitment can be maximised.

A review was initiated by PIRSA looking at the commercial effort and concentration of targeted fishing activity on breeding aggregations, etc., both commercial and recreational, and the aim of that review was to establish management arrangements that could effectively control the level of the commercial fishery. Then following that we announced in October 2012 a 15-day extension of the snapper closure and that snapper fishing be completely banned in all Australian waters from 1 November to December, as well as some other changes to catch limits, hooks and so on.

PIRSA undertook additional work and community consultation on the development and implementation of snapper spatial closures, and I have to say that this has been really pushed along by industry because industry is very much aware that the snapper fishery is under significant pressure and that the commercial viability of this fishery sector is being compromised. The industry very much understood that the measures we put in place did not go far enough, and they encouraged us to look at further measures. So, PIRSA undertook additional work and also community consultation on the development and implementation of the snapper spawning spatial closures to further protect selected key spawning aggregations in Spencer Gulf and Gulf St Vincent.

PIRSA's proposal to provide further protection for snapper spawning aggregations and spatial closures was released for six weeks public consultation and PIRSA held five public meetings at Whyalla, Port Broughton, Ardrossan, etc. The regional, social and economic impact assessment was commissioned on the implications of the spatial closure. That was also released, so that is publicly available. An announcement will be made very soon in relation to the spatial closures for this year.

Ms CHAPMAN: I take it there was no economic or social cost analysis on the regional towns?

The Hon. G.E. GAGO: I just said that we did one.

Ms CHAPMAN: You did consultation; I heard that.

The Hon. G.E. GAGO: We did an assessment.

Ms CHAPMAN: Well, what is that?

The Hon. G.E. GAGO: I said a regional, social and economic impact assessment commissioned on the implications of spatial closures was also released.

Ms CHAPMAN: Right, thank you.

The Hon. G.E. GAGO: Clearly, any measure we put in place that affects our fishery has an impact on those businesses that rely on that particular species and the local communities where those people live and work. However, we have to weigh those impacts up against the impact of an industry that collapses completely through overfishing and the loss of economic viability. The commercial fishers and charter operators know and understand that and generally are extremely supportive of these measures that are under discussion and consideration.

They also understand what the short-term impacts are likely to be, but they are well aware of what the long-term impacts are. These are usually small businesses, family businesses, and they are there for the long-term and want to be able to hand their businesses over to their children and grandchildren. They understand how important it is that we have sustainable fisheries here in South Australia.

Ms CHAPMAN: SARDI, which starts at page 129, is an important research arm for South Australia. I notice that there are some extra projects that you are going to be asking them to undertake (I will come to that in a moment) but, it seems, with far fewer people and less money, according to the budget published here.

In particular, there is the new initiative which is detailed on page 130, the High-Value Food Manufacturing Centre, and which is to have \$1 million. Is this a bit like premium? Does the person who is in the industry identify whether or not it is high value—because I assume that means expensive in some way? Is there any kind of list, threshold or data to be eligible to be in high-value food manufacturing as distinct to low value?

The Hon. G.E. GAGO: I am advised that this is a project that will be led by DMITRE. It is a partnership, I understand, between SARDI and the university but will be managed and run through DMITRE. My understanding is that this project is about exploring advanced manufacturing

opportunities for the food and wine sector; that is about looking for opportunities to value add particular products.

It might be about, for instance, one of the initiatives that SARDI was involved in recently—the new long-life packaging for pips. In the past there was little export potential for pips because their shelf life was very short. With the development of technology around new packaging techniques it was able to extend the shelf life of pips and, therefore, open up new export market potential. When we talk about high value manufacturing we are really talking about value-adding and looking for potential to advance and develop our products.

Ms CHAPMAN: How is that different from the government's 2010 announcement to have a consumer and market innovation centre which was to be an alliance between the government and the University of Kent? That does not appear to have happened. I am not sure whether that is still going ahead or whether that is something different to this.

The Hon. G.E. GAGO: I do not know what project you are referring to, I am sorry: what project—the Kent project?

Ms CHAPMAN: Is the consumer and market innovation centre still going ahead or is it done and dusted?

The Hon. G.E. GAGO: I have already made public reference to this. This was a project involving the March 2010 election when the minister for agriculture, food and fisheries consulted with a number of organisations. At that time, it was decided that the project that had been announced would not go ahead but rather the funds would be used to support two associations supporting the SA food industry, where Food Adelaide focused on exporting food and beverage companies and Flavour SA supported smaller food companies. The industry was showing a willingness to collapse both associations and develop a single representative food industry peak body known as Food SA.

The minister determined that supporting key development programs with the industry was a more effective way to grow food and wine in South Australia. He announced at the time that that project would not be going ahead and instead, as I said, funds were diverted into the Food SA initiative. I think there was also a wine initiative where the SA Wine Industry Association was involved in delivering industry development programs.

The CHAIR: Member for Hammond.

The Hon. G.E. GAGO: I just need to check something to put right the record. The project we have just talked about; I think I said it was DMITRE. I have been told that the project funding is with DFEEEST, not DMITRE. DMITRE is to have a lead with industry involvement, but the funding is actually with DFEEEST. Thank you for that.

Mr PEDERICK: My question relates to page 136, Budget Paper 4, Volume 4. Under Highlights 2012-13, at dot point 6, it talks about partnering with the National Biosecurity Committee 'to implement preparedness and response for animal and plant biosecurity emergencies'. What strategies are in place in the likelihood of a locust plague happening in South Australia?

The Hon. G.E. GAGO: I am advised that we do that in partnership with the Plague Locust Commission and that that is where the surveillance is conducted and assessments are made around the probability of the likelihood of an outbreak. At present, they are saying that there is no likelihood of an outbreak. That surveillance is ongoing and, if it was to be assessed that there is a likelihood, we put a plan of action in place. We will either fund it from our biosecurity funds or, if additional funds are needed, as with the last locust plague, we put in an additional submission to Treasury and fund it that way.

Mr PEDERICK: With regard to that, minister, you have access to plenty of chemicals and manpower, if need be, at short notice, as part of this strategy planning with the national body?

The Hon. G.E. GAGO: The proof is in the pudding. I think that the way in which South Australia responded to the last locust plague, we were held up to be a role model for other jurisdictions. It shows that we do have processes in place and that our responses are highly effective. As I said, our activity was held up to be best practice and model performance by other jurisdictions.

The CHAIR: Member for Schubert.

Mr VENNING: Thank you, Madam Chair—a friend forever. I refer to Budget Paper 4, Volume 4, page 129. Can the minister advise why no-one has access to the old vine collection at

the Nuriootpa viticulture research station? Access has been closed for approximately three years, allegedly because the material has not been verified by DNA testing; it was said to pose a risk to the industry. However, industry is involved in doing its own virus and DNA testing, so if the individuals requesting the material are able to test, why is access to the collection being stopped?

The collection was set up by the managers of the viticulture station using old vineyard material from around the Barossa and other regions. It includes old varieties, such as cinsault, carignan, mataro and grenache. It has now got to the point where there are little or none of these varieties left, but growers want to access these old varieties. Growers are so desperate they have taken cuttings from other growers' grafted vines, increasing the risk of disease and to the longevity of the vines.

The CHAIR: Member for Schubert, is this a question or a statement? Do you have a question at the end of this? We know that you know a lot about wine but I think you are also talking to another expert in wines. It would be interesting to see what happens here; who knows more. Minister, would you prefer to take that one on notice?

The Hon. G.E. GAGO: We should have the information here. No, I will have to take it on notice.

[Sitting suspended from 13:00 to 14:00]

Departmental Advisers:

Mr I. Robertson, Chief Executive, ForestrySA.

Mr S. Ashby, Chief Executive, Department of Primary Industries and Regions.

Mr S. West, Executive Director, Agriculture, Food, Wine and Forestry, Department of Primary Industries and Regions.

Mr T. Mader, Acting Deputy Chief Executive, Department of Primary Industries and Regions.

Mr W. Materne, Chief Financial Officer, ForestrySA.

Mr R. Janssan, Group Executive Director, Corporate Services, Department of Primary Industries and Regions.

Mr R. Robinson, General Manager, Forest Strategy, Department of Primary Industries and Regions.

Mr M. Williams, Manager, Budget Strategy Unit, Department of Primary Industries and Regions.

Mr S. Johnke, Director, Finance and Prudential Management, Department of Primary Industries and Regions.

Ms R. Burner, Chief of Staff.

Ms G. Hewlett, Ministerial Adviser.

The CHAIR: We are continuing with the proposed payments for Primary Industries and Regions SA, and I understand we are now dealing with ForestrySA. Minister, do you wish to make an opening statement?

The Hon. G.E. GAGO: Yes. PIRSA's responsibilities include the provision of forestry policy and development advice for the South Australian government. ForestrySA is a public, non-financial corporation that manages state-owned forest assets and undertakes other commercial activities as a government business enterprise. In regard to forestry policy and development advice, with the current forestry industry downturn, there is a need to address issues on a number of fronts ranging from improving industry productivity (including the pursuit of advanced manufacturing opportunities and recognising the industry's environmental credibility internationally) to continuing to encourage our public to enjoy visiting and appreciating our forests.

The South Australian Forest Industry Advisory Board was formed during 2012-13. The government's forest industry policy position will be based on the industry blueprint the board is currently developing. The blueprint will further the industry's capacity to innovate, adapt and

compete and is expected to be delivered in 2014. The recent industry downturn has highlighted the importance of understanding the market from a customer focus, with a forest market product overview undertaken in 2013-14 as the first step in exploring the potential value-adding along the whole forest industry chain.

To assist the South Australian Forest Industry Advisory Board and to progress the industry's viability and innovation generally, the government will facilitate stage two of the VTT Cellulose Fibre Chain Study analysis by assessing local industry readiness to take up new technology. A collaborative project with DMITRE is part of our budget announcement, part of the \$2.7 million over five years to establish a Limestone Coast to support forestry cluster to advance the—I take that back, because that might not be part of the \$2.7 million. That might be a different initiative. Anyway, a cluster will be established to advance the outcome of the cellulose fibre project.

A new budget measure of \$2.7 million to establish premium food and wine coinnovation clusters includes the Limestone Coast region—sorry, I am confusing myself there. A \$27 million state government grant program available over two years provides assistance to the forestry industry in the South-East for capital investment, particularly new plant and equipment.

Our forests provide significant recreational use for our communities, so the government will provide community service obligation funding to continue to support ForestrySA's management of the Green Triangle, Mount Lofty Ranges and Mid North forests. In addition to recreation, maintaining biodiversity values and fire protection capabilities will also be a priority in that funding.

The ForestrySA budget process this year is again a complex one as the business continues its transition to that of both a forest owner and a forest management service provider as a result of the forward sale. This coincides with a difficult market environment, strained by the struggling construction sector and a high Australian dollar, attracting cheap timber imports.

In the Mount Lofty Ranges and Mid North, ForestrySA has been faced with depressed log sales in a very difficult market for timber for housing and with recovery from significant fires in the Mid North forests. To address trading shortfalls in the Mount Lofty Ranges, ForestrySA is seeking sales of poor quality and large diameter log into export markets, and at the conclusion of the program it is anticipated the domestic house construction market and demand for locally produced timber will have recovered. In conclusion, I note that forestry in South Australia is undergoing a period of significant change in a difficult market, as are many manufacturing industries.

The CHAIR: Member for Bragg, do you have an opening statement to make?

Ms CHAPMAN: I will just place on the record my despair that forestry is now down to a million dollar exercise for the state, fading like a Shakespearean play at this point. However, I do have some questions at page 137, minister.

The Hon. S.W. KEY: That is not a good analogy; Shakespeare is alive and well. They are still making movies.

Ms CHAPMAN: Shakespeare had all the forests come up to the castle to take over in one of his famous plays. Do you remember? It is quite different here. We have plenty on Kangaroo Island that you can come and cut down. I will get to the VTT study and the SA Forest Industry Advisory Board. Minister, what are we actually going to get for the \$1.89 million? We have what is left of the department, we have the VTT study that is going to happen and we are going to have the SA Forest Industry Advisory Board.

The Hon. G.E. GAGO: Do you want to know what the breakdown of that \$2 million is going to be, or are you asking what you are getting from the board?

Ms CHAPMAN: There are now going to be three entities. Under your targets, the support of the SA Forest Industry Advisory Board is going to continue, which is supposed to be developing an industry policy statement, a blueprint for the future. We are going to have the members of your department—what is left of them—and we are going to have some entity or persons who are going to be undertaking the VTT Cellulose Fibre Chain Study to obviously talk about new technologies and the development of the industry. I am just a bit puzzled as to who is going to be doing what.

The Hon. G.E. GAGO: What is the question?

Ms CHAPMAN: Who is going to be doing what and how much will they each have?

The Hon. G.E. GAGO: VTT is administered by DMITRE, so you would need to ask them.

Ms CHAPMAN: Can I just clarify that? Page 138 states, 'Undertake stage 2 analysis of local industry readiness to take up new technology' etc., particularly various things. So I assume you are making some financial contribution to this study. If so, how much?

The Hon. G.E. GAGO: There are no funds; it is staff working in collaboration and providing advice.

Ms CHAPMAN: Well, last time I looked, minister, staff cost money. If someone is going to be allocated for a month, two months, six months or one day a week for a year or—

The Hon. G.E. GAGO: No, it is just people contributing to a steering committee.

Ms CHAPMAN: To a steering committee? So who is actually going to be doing the study?

The Hon. G.E. GAGO: VTT.

Ms CHAPMAN: Who are they?

The Hon. G.E. GAGO: As I said, this project is being undertaken by DMITRE, which is the lead agency for managing this. PIRSA will be inputting into the steering committee, but you would need to ask DMITRE about the details of the project.

Ms CHAPMAN: I see. So you are just going to donate some personnel, scarce as they are?

The Hon. G.E. GAGO: We input information.

Ms CHAPMAN: I am happy for you to take it on notice, but I do not even know who VTT is. I have asked the local member and he does not even know what it is. What is it?

The Hon. G.E. GAGO: It is a Finnish research company, I am informed. Again, you need to ask the right agency. If you want accurate and detailed information, you need to direct the questions to the appropriate agency. We are not in charge of this project. As an agency, we are providing some input.

Ms CHAPMAN: It is listed as one of your targets for 2013 to contribute to this project.

The Hon. G.E. GAGO: And, as I said, there is no specific budget line for that.

Ms CHAPMAN: Other than the fact that you are going to be contributing personnel.

The Hon. G.E. GAGO: Yes.

Ms CHAPMAN: It is one of your targets to undertake an analysis of the local industry readiness, so somebody is going to be doing something.

The Hon. G.E. GAGO: Yes.

Ms CHAPMAN: And that is going to cost some money. In any event, you say it is Finnish; is it?

The Hon. G.E. GAGO: I believe so, but I do not have any details.

An honourable member interjecting:

Ms CHAPMAN: There is. What is VTT? Have you got an answer, Zoe?

Ms Bettison interjecting:

Ms CHAPMAN: No, and neither has the minister. We are all a bit in the dark at the minute. Well, I will go back to that. The number of policy officers on the program?

The Hon. G.E. GAGO: On what program?

Ms CHAPMAN: That are to be based.

The Hon. G.E. GAGO: On which program?

Ms CHAPMAN: For your total program which is 1½ pages' worth on forestry.

The Hon. G.E. GAGO: For forestry. No, that's okay. I'm just—

Ms CHAPMAN: Sorry. The number of policy officers to be based in Mount Gambier or in the South-East?

The Hon. G.E. GAGO: Parts of four people, I have been advised.

Ms CHAPMAN: Four, thank you.

The Hon. G.E. GAGO: Parts of.

Ms CHAPMAN: Sorry, parts of. I assume that is not an arm or a leg. You mean an FTE of one or two or three?

The Hon. G.E. GAGO: There are four staff who will work part of their time. They also perform other duties and responsibilities.

Ms CHAPMAN: So it is the equivalent of how many full-time equivalents?

The Hon. G.E. GAGO: The view is that it is probably one to two.

Ms CHAPMAN: Are they currently based in Mount Gambier?

The Hon. G.E. GAGO: I am advised that two are.

Ms CHAPMAN: So two more are going to be going there, is that right?

The Hon. G.E. GAGO: Yes, I understand that the meetings are conducted there and that is where staff go to attend the meetings.

Ms CHAPMAN: Sorry. I think we are at cross purposes. In relation to your whole department, which is \$1.89 million's worth—

The Hon. G.E. GAGO: So you are asking about the forestry policy staff in PIRSA?

Ms CHAPMAN: Yes, your total.

The Hon. G.E. GAGO: Right, sorry. There are 11 FTEs, I am advised.

Ms CHAPMAN: I can see that. My question is how many are in Mount Gambier?

The Hon. G.E. GAGO: I am advised three are located in Mount Gambier but a number will travel to and from Mount Gambier for specific—

Ms CHAPMAN: Yes, for various meetings and specific targets. So the total forestry policy unit, how does this fit in the structure? Are they accountable to the chief executive officer?

The Hon. G.E. GAGO: Yes.

Ms CHAPMAN: In relation to the Forest Industry Advisory Board, who or what entity advised that this board be appointed?

The Hon. G.E. GAGO: This advisory board was a board that I recommended be put together. It was an amalgamation of two other forestry entities. One was the round table which had done the work with the forward sale of the forests, and that group had been set up to do two things. One was to look at improving conditions and protections around the forward sale and the second was to look at a long-term industry strategic plan that addressed the long-term sustainability of forestry in that region.

The other board that was in place was the Forest Industry Advisory Board and it had done some general policy work in the past. What the industry had indicated to me was that the round table completed its work on the forward sale conditions and basically recommended to me that they were not the appropriate body with skill and expertise to go on and do the strategic work, so they made a recommendation to me to establish a new entity which I did. I took some of the members of the old forestry advisory board who had particularly good strategic insights, again with a couple from the round table and a couple of other industry people who had a particularly international and national understanding of the industry.

Basically, all of the industry indicated to me a need for there to be some strategic thinking and planning for the forestry industry for that region. People were very concerned with the changes that had been taking place, the downturn in the timber sector and Kimberly-Clark moving out. They were very concerned about their long-term future, so the whole industry was saying that something needed to be done in this place. Listening to the industry, listening to the recommendations that came from the round table, I formed this entity.

Ms CHAPMAN: Of the board members, does Alison Carmichael live in Canberra, and is she the same person who served as a board member on Rainforest Rescue?

The Hon. G.E. GAGO: I do not know where she lives, to be honest. I know that she has extensive experience as a senior executive and consultant in the agriculture, natural resource

management, sustainability and communication sectors, with particular expertise in business and industry development. She is currently the chief executive officer of the Institute of Foresters of Australia, but where she actually resides I could not tell you. She certainly has vast national and international experience in this sector.

Ms CHAPMAN: The reason I ask whether she served as a board member of Rainforest Rescue is of course that South Australia does not have any rainforests; she may have other areas of expertise. Perhaps you could take it on notice.

The Hon. G.E. GAGO: Well, she is currently chief executive officer of the Institute of Foresters of Australia. She is a highly credentialled, highly experienced, highly regarded person in this particular field.

Ms CHAPMAN: Anyway, you will find out where she lives; that's fine. Jane Calvert, does she live in Melbourne?

The Hon. G.E. GAGO: I have no idea where she lives.

Ms CHAPMAN: Is she the same Jane Calvert who represents the CFMEU on a Tasmanian council implementing the Tasmanian forest agreement?

The Hon. G.E. GAGO: When putting this board together, I wrote to the CFMEU and asked them to nominate a representative to sit on this board; they nominated Jane Calvert, and she has been employed by the Forestry and Furnishing Products Division of the Construction, Forestry, Mining and Energy Union for more than 20 years. She is currently national president of the division. She is Chair of ForestWorks, the industry skills council, and also Chair of the Tasmanian Forests and Forest Industry Council. She is an incredibly competent and capable person and, what is more, she is held in really high regard by a broad range of different sector stakeholders.

Ms CHAPMAN: Caroline Pidcock, does she reside in Sydney and is she the same Caroline Pidcock who is Chair of Living Futures Institute Australia, based in New South Wales; Carriageworks, based in New South Wales; Greening Australia, New South Wales; the Sacred Heart Education Ministry Board of New South Wales; and the Object Gallery's Advisory Group of New South Wales? If so, you could give us some information about her credentials for SA forests?

The Hon. G.E. GAGO: I did not ask these appointees where they reside. Caroline Pidcock is an architect with interest and experience in sustainable built environments. She is currently director of Pidcock Architecture and Sustainability, Chair of Carriageworks and the Living Futures Institute (Australia) boards and a member of Greening Australia (New South Wales) Board. Again, she is a highly credentialled and highly regarded woman in this area.

Ms CHAPMAN: Is there a Chair of the board and, if so, who is it?

The Hon. G.E. GAGO: The Chair is Trevor Smith, and I do not know where he resides either.

Ms CHAPMAN: That is par for the course—hopefully Australia.

The Hon. G.E. GAGO: He has extensive experience in the forest industry and has demonstrated leadership in high level, complex review processes. He is the managing director of Advisory Consulting Employment Services and was Chair of the South-East forestry industry round table. He showed enormous capability and again was held in very high regard by all stakeholders for the work he did on the round table. He showed that he was able to work right across the industry and with all relevant stakeholders to produce very positive outcomes for the industry. He conducted himself extremely well, and he was held in high regard by all sectors of the industry and produced some quite remarkable outcomes in his role as Chair of that board.

Ms CHAPMAN: Excellent, so—

The CHAIR: Member for Bragg, before you go on, I just want to know whether the member for Mount Gambier was interested in asking a question.

Ms CHAPMAN: He can't; I don't think he is a member of the committee, Madam Chair.

The CHAIR: At my discretion, I can invite people. The member for Little Para.

Mr ODENWALDER: I direct the minister to Budget Paper 4, Volume 4, page 138. ForestrySA has provided support for the management of public use of the Mount Lofty Ranges and Mid North forests. What types of activities are these forests used for?

The Hon. G.E. GAGO: I thank the member for his question. The Northern Forests and Mount Lofty Ranges forest are managed as community forests due to their social and environmental values. They deliver an important commercial function to the local region and in particular to the sustainability of local sawmiller, Morgans. The community forest status reflects the importance of the northern forests as a recreational resource for local people and visitors with significant heritage qualities and conservation values.

Visitors are becoming increasingly aware of these values, including that they were established in 1876 and are some of the oldest planted forests in Australia. This legacy is appreciated by those who attend one of the largest forest festivals in Australia—the Bundaleer Festival—which was again held in March this year. The forests reserves are highly valued by the community for recreation purposes and are the location of choice for over 200,000 visitors per year undertaking more than 30 different types of activities.

It is important to note that it is in fact the plantation areas that provide unique recreation opportunities for mountain bike riding, horseriding, bushwalking and camping, and dogs are allowed. Some of these activities are generally unavailable on other public land, such as conservation and national parks. Collectively these forest operations, together with non-commercial activities, provide a significant benefit to the people of South Australia.

Mr PEGLER: Minister, given that during the forward sale of the forests we were assured that the water licences would remain with the government, who will be responsible for any levies that are going to be on those water licences in the future?

The Hon. G.E. GAGO: You are referring to the NRM water levies that are in place in some other areas?

Mr PEGLER: And in place in the South-East now. So, they will get a licence, and we have been assured that the government has retained those licences as the owners of the land, but who is going to be responsible for the NRM division 2 levy?

The Hon. G.E. GAGO: I am advised that OneFortyOne is responsible for the payment of all rates and levies, including NRM levies.

Ms CHAPMAN: Back to the board, minister, why was it necessary to pay Mr Smith \$50,000 as an attraction and retention allowance?

The Hon. G.E. GAGO: All members of the board have been offered an attraction and recruitment allowance. I just have to say that I find it remarkable really. I think we only have half an hour for questioning into this incredibly important and challenging policy area at present, and the only thing the member seems to be able to focus on is one small board in this area. I cannot believe that, of all the matters that could be explored and discussed—

Ms CHAPMAN: Madam Chair, do we have to put up with this? This is just a nonsense.

The Hon. G.E. GAGO: I am happy to waste—

Ms CHAPMAN: If you didn't fill it up with Dorothy Dixers, minister, we would actually get through a lot more issues.

The Hon. G.E. GAGO: But I am very happy to waste—

Ms CHAPMAN: But this department is left with less than \$2 million.

The CHAIR: Order, member for Bragg!

The Hon. G.E. GAGO: I am very happy to waste this chamber's time.

Ms CHAPMAN: Well, answer the question then. How much do they each get?

The Hon. G.E. GAGO: I will draw to your attention as well that all of this information is already on the record. I have spoken ad nauseam of this in parliament.

Ms CHAPMAN: Page?

The Hon. G.E. GAGO: All of this is on the record—the membership of the board, the remuneration of the board, the rationale for the board and the outcomes that are expected of the board.

Ms CHAPMAN: You do not even know where they live, so it is going well so far.

The CHAIR: Order! Member for Bragg, order!

The Hon. G.E. GAGO: I do not ask board members where they live. I do not ask them if they are married or not. I do not ask them how old they are. I do not ask them if they have children. I do not ask them for their sexual orientation.

Ms CHAPMAN: I am glad to hear that.

The Hon. G.E. GAGO: The point is that this board was put together because of their expertise and experience and the contribution they could make in assisting South Australia deliver an outcome into a sustainable and viable future for this very important sector that is currently facing significant challenges.

Ms CHAPMAN: Only because you sold the forests.

The Hon. G.E. GAGO: The forward sale of the forests has nothing to do with the state that this sector is in. That is absolute nonsense.

Ms CHAPMAN: It is left to 11 people.

The CHAIR: Order! You will listen to the minister.

The Hon. G.E. GAGO: It clearly shows that the member has no idea about what is going on in this industry if she thinks that the forward sale has anything to do with the state that this industry is in. The downturn in the international state of affairs, our dollar, the cheap imports being flooded into our markets, the downturn in construction—these are the things that are affecting the downturn in our forestry markets, and the industry understands this all too well. We need to restructure and redesign our forestry industry so that we can meet and move into new areas in the market.

Ms CHAPMAN: So, what is the answer?

The Hon. G.E. GAGO: Well, that is what the VTT—

Ms CHAPMAN: That was three questions ago.

The Hon. G.E. GAGO: That is what the VTT project is all about.

Ms CHAPMAN: How much are they paid?

The Hon. G.E. GAGO: It is about exploring new areas to develop our industry into new products, for instance, biofuels. These are the areas that we need—

Ms CHAPMAN: Madam Chair, I am asking about the board, not the VTT program. We have been there. She is just repeating it and wasting time.

The CHAIR: The minister has answered the question, as I see it.

The Hon. G.E. GAGO: These are important areas for our development. This board not only includes local industry expertise, but also those people who have industry expertise nationally and internationally so they can bring the latest and most up-to-date information and ideas to the table to put together a way forward and a future for our forestry industry here in South Australia.

Ms CHAPMAN: How much are they being paid?

The Hon. G.E. GAGO: This is all on the record and you are just lazy by the fact that you have not accessed this.

Ms CHAPMAN: No, I am asking you for a breakdown of that. How much is the retention and attraction payment to each of the board members?

The Hon. G.E. GAGO: All of this is on the public record.

Ms CHAPMAN: Where?

The Hon. G.E. GAGO: On *Hansard*. I have spoken ad nauseam about this.

Ms CHAPMAN: No, you have not. Do not mislead the parliament.

The Hon. G.E. GAGO: That is just nonsense and the honourable member needs to take that back.

The CHAIR: Order, member for Bragg!

Ms CHAPMAN: You have not disclosed the attraction and retention payment—

The CHAIR: The member for Bragg, order!

The Hon. G.E. GAGO: That is misleading. That is on the record and I have put it on the record in this place—the breakdown of the retention allowance for the chair and individual board members and I have also put on the record the sitting rates for, again, both the chair and other members—so the member is completely inaccurate and completely wrong when she says—

Ms CHAPMAN: So, you do not know?

The Hon. G.E. GAGO: —that I have not put this on the record before, but I am happy to put it on record again—

Ms CHAPMAN: Do not even know where they live, for goodness sake.

The Hon. G.E. GAGO: —and waste the time of this chamber. I will put it on the record again.

Ms CHAPMAN: Hooray.

The Hon. G.E. GAGO: Well, you are just lazy. The fees are—and again, you can go through *Hansard* and I think I have done it more than once—that the chair receives \$258 per four-hour session and members receive \$206 per four-hour session. The chair also receives a \$50,000 per year retention and attraction fee, if you like, and members receive a \$5,000 per year fee. The term is until 1 May 2014. The reason they were given these fees is because the board has been given a highly specific role function to perform. They are required to deliver this strategic blueprint within a very short period of time. It is a lot of hard work and they have been given an allowance accordingly. This is not unusual; we do it with other boards and committees. Again, this high level work is required in a very short period of time.

Ms CHAPMAN: When do you expect to have their report?

The CHAIR: Member for Bragg, you understand you can only accuse someone of misleading parliament by substantive motion. I would ask you not to use those terms in future. I think the member for Mount Gambier had another question.

The Hon. G.E. GAGO: She should apologise to me.

The CHAIR: This will have to be the last question.

Mr PEGLER: Given that ForestrySA is contracted to manage the forests now on behalf of OneFortyOne, and there were conditions of sale put in place for the forward sale of the forests, who is going to be responsible for ensuring that those conditions of sale are adhered to, given that ForestrySA have been contracted to OneFortyOne? Is it going to be PIRSA?

The Hon. G.E. GAGO: This goes to the work that I talked about that the round table helped to perform. It was really very valuable work that they did. They outlined a set of conditions that were incorporated into the contract and that required certain conditions to be met. OneFortyOne is required to report each year outlining their compliance requirements. They report to PIRSA. I have established a panel that looks at their report and does an assessment on whether they believe that they have fulfilled those compliance requirements.

Mr PEGLER: Who is that group or panel?

The Hon. G.E. GAGO: PIRSA, Treasury, Crown Solicitor's Office, and Finance.

The CHAIR: There being no further questions I declare the examination of the proposed payments for the Department of Primary Industries and Regions, and administered items for the Department of Primary Industries and Regions completed.

DEPARTMENT OF THE PREMIER AND CABINET, \$95,827,000

**ADMINISTERED ITEMS FOR THE DEPARTMENT OF THE PREMIER AND CABINET,
\$7,930,000**

Membership:

Mr Gardner substituted for Mr Pederick.

Mr Griffiths substituted for Ms Chapman.

Witness:

Hon. G.E. Gago, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations.

Departmental Advisers:

Mr J. Hallion, Chief Executive, Department of the Premier and Cabinet.

Mr M. Petrovski, Director, Office for State/Local Government Relations.

Mr M. Barry, Manager, Office for State/Local Government Relations.

Mr J. Loulas, Manager, Financial Performance and Strategy, Corporate Operations and Governance.

The CHAIR: I declare the proposed payment reopen for examination and refer members to Agency Statements, Volume 4. Minister, you may wish to make a statement.

The Hon. G.E. GAGO: Thank you, I will. The Office for State/Local Government Relations, in the Department of the Premier and Cabinet, is a small unit responsible for providing advice to the Minister for State/Local Government Relations on the constructive relationship between state and local government and councils and other associated representatives groups; whole-of-government policy and legislative framework as they affect local government; and the constitution and operation of the local government system, including the statutory authorities for which the Minister for State/Local Government Relations is responsible. These statutory authorities are the Local Government Grants Commission, the Outback Communities Authority and Boundary Adjustment Facilitation Panel.

As part of recent machinery-of-government changes, the government has decided to restructure the current Office for State/Local Government Relations. This restructure involves realignment of functions from the office to the Department of the Premier and Cabinet and the Department of Planning, Transport and Infrastructure, the Ombudsman and Primary Industries and Resources of South Australia. This will see some existing functions incorporated into departments which are more directly aligned to those roles. PIRSA will be assuming responsibility for the Outback Communities Authority as well as the Local Government Grants Commission.

With the passing of the Independent Commissioner Against Corruption Act 2012, our government has begun a new time of transparency and accountability for South Australian governments, councils included. The ICAC Act will make significant changes to the Local Government Act; in particular, the ICAC Act increases the role of the Ombudsman with regard to both councils and individual members. He will also have increased powers to investigate individual elected members, including breaches of the code of conduct. These changes, along with the new integrity framework established by the ICAC, will ensure that our community can have faith in the operation and accountability of South Australian councils.

Further reinforcing the drive to improve transparency and independent processes, the office has been working closely with the local government sector to develop and finalise regulations that will support a new era in the councils' governance processes. There is a package of proposed amendments that aims to make a number of important changes. In addition, we have undertaken extensive consultation on the review of the Local Government (Procedures and Meetings) Regulations and the Local Government (Financial Management) Regulations and the Local Government (General) Regulations and Private Parking Areas Regulations.

With the aforementioned work and proposed new funding agreements to replace the Local Government Disaster Fund and the recent review of the Local Government Grants Commission funding distribution methodology, there is much to look forward to, particularly as our state and local government sectors enter a new era of transparency and accountability. I look forward to working with all South Australian councils as we meet these future challenges together. I place on the record my sincere thanks to all of the staff of the Office for State/Local Government Relations.

The CHAIR: The member for Goyder.

Mr GRIFFITHS: Thank you, Madam Chair. I will speak briefly in order to recognise the retirement of mayor Kym McHugh as president of the LGA during the previous financial year and to recognise the election of Mr David O'Loughlin (the Mayor of Prospect) to take on that role; I wish

him well in that. I have had a lot of meetings with Mr O'Loughlin, and I am quite impressed by the breadth of knowledge he possesses on a wide variety of matters. As a former local government employee, I certainly respect very strongly the role the 69 councils in the state play in the provision of services for the community.

Minister, I am particularly interested in cost of living pressures as they relate to what local government is charging people. When I have spoken to metropolitan and regional councils, I have talked to them about the need to ensure that what they charge is affordable within a community; obviously, there is always the priority decision that has to be made on the provision of a service or infrastructure based on the cost against that. When it comes to borrowing, given the guarantee that exists with the Local Government Finance Authority from SAFA, as I understand it, I am interested to know what financial impact the loss of the AAA credit rating in May of last year has had on local government in South Australia via the increased amount of interest they are paying.

The Hon. G.E. GAGO: I have been advised that no in-depth analysis has been done on this, so we are not able to answer the question. However, the experienced advice I have is that it would be a minimal impact on interest rates. That is probably because the sector's level of indebtedness is at \$506 million, which is extremely low when put in the context of the depreciated value of land and buildings, road infrastructure and such like. In fact, I think at the ministerial council relating to local government we received a report from Ernst & Young that did an analysis on the level of borrowing of local government, and their conclusion was that local government was not using borrowings as well as it could, in particular in the financial leveraging of capital infrastructure developments. That was an interesting observation.

Mr GRIFFITHS: It is; indeed, the term 'minimal' is interesting also, because \$506 million is a substantial amount being paid for by the 1.6 million people who live here, the million-plus property owners who exist in the state, too. However, I know from information previously supplied to me, that it appeared that the loss of the AAA rating was worth, to state government borrowings, between 0.2 and 0.25 per cent, I thought, in additional interest costs when it came to new borrowings, or renegotiation of current borrowings.

So it is a factor. It might be a smaller quantum than what the state's dollars are, and I understand that, but is it a factor that impacts on the rates that are charged each financial year? Is it that you have never done it, or has it ever been considered and the Local Government Finance Authority asked to provide information on that?

The Hon. G.E. GAGO: They are an independent body—

Mr GRIFFITHS: They operate with a guarantee from the South Australian Government Financing Authority though.

The Hon. G.E. GAGO: I guess the bottom line is, as I said, that the work has not been done; to the best of my knowledge, the LGFA has not completed any of that work. I do not know whether or not they intend to, but that information is not available, except to say that the experienced advice from my officers is that it is likely to have minimal impact. That is the best I can do at the moment.

Mr GRIFFITHS: I appreciate you answering that. I just have a question about some introductory comments—

The Hon. G.E. GAGO: I have just been asked to remind you that the LGFA pays a commercial rate for its guarantee from—

Mr GRIFFITHS: Yes, for the benefit that it provides to them; I understand that. The LGFA has certainly proved to be a very prudent facility established by the LGA many years ago, too. It has worked out to be a wonderful one for local government.

The Hon. G.E. GAGO: Yes, and it is the envy of other jurisdictions.

Mr GRIFFITHS: Very much so. Minister, as part of your explanation at the start about the last 12 months and what plans might be, I am interested in some additional detail on the restructure that was announced in April. You talked about the dispersing of people out to various departments; are you able to provide me with some accurate figures? If I look at the fact that the 2012-13 estimated result was the full-time equivalent of 20.6 people, of that 20.6 how many have been allocated out to different roles, how many will be retained through State/Local Government Relations, and has there been a loss of any employees?

The Hon. G.E. GAGO: If I could clarify, are you asking whether the proposed machinery of government changes are going to result in any staffing losses?

Mr GRIFFITHS: You have mentioned some of the departments that the people will go to but, for the record, can you say how many people have transferred to DPC, for example?

The Hon. G.E. GAGO: A lot of that work is still being done, so the details are still being finalised. DPTI, I am advised, will have nine staff—these are FTEs—PIRSA will have two and DPC will have three. The outback areas is eight FTEs and the grants commission is three. I think we are likely to lose one position from the grants commission. It is a vacancy and likely not to be filled. We are looking at some minor savings but, generally speaking, that is how staff will be moved. There will be, overall, some savings to be made but they are fairly minor.

Mr GRIFFITHS: Minister, you noted that the final details have not been confirmed yet. Have you set a time frame in your mind as to when the transfers need to be completed by?

The Hon. G.E. GAGO: I think that needs to be signed off in cabinet, and that will be very soon. In the next few weeks, I am advised.

Mr ODENWALDER: I refer the minister to Budget Paper 4, Volume 4, page 92. Can the minister provide any advice on what support is being provided for regional planning days to regional local government associations?

The Hon. G.E. GAGO: Following the Mid North and Yorke regional planning day held in March 2012, the Office of State/Local Government Relations offered support to the executive officers of the regional local government association to hold regional planning days. These planning days would be available to all six local government regions—Central, Eyre, Murray and Mallee, South-East, Southern and Hills, and Provincial Cities Association.

The support offered by OSLGR is available to all six regions and is both financial and organisational. OSLGR will contribute up to \$5,000 per planning day and can also provide help if required to ensure that the state's agencies involved in each planning day provide information and discussion that is most relevant and helpful to each region.

I am pleased to advise that the Murray and Mallee Local Government Association held their first priority setting day at Bow Hill on 9 November 2012, and this was attended by the former minister for state/local government relations (Hon. Russell Wortley) and supported by OSLGR with a funding contribution of just over \$3,500. I am advised that it generated a list of actions that the region sees as priorities.

I was pleased, in March this year, to attend the Mid North and Yorke regional planning day at Wallaroo, and this day was supported with a contribution of about \$5,000 from PIRSA. I expect that both the Murray and Mallee Local Government Association and Central Local Government Region will hold planning days during 2013-14. I understand the Eyre Peninsula Local Government Association has expressed interest in holding a regional planning day as well.

I am advised that the South East Local Government Association has decided against holding a regional planning day at this time, as the region has been so closely involved in the Limestone Coast Economic Diversification Forum; and the Southern and Hills Local Government Association has not made a commitment to a planning day at this stage.

Mr GRIFFITHS: I have a supplementary to the member for Little Para's question. As the local member, I recognise your presence at Wallaroo as part of the Yorke and Mid North one, and I am grateful for that. However, I note in an answer that you have not referred to the involvement of the natural resources management boards or the Regional Development Australia groups that were involved in the Yorke and Mid North one. Is it intended that all the other planning day meetings will involve those groups also?

The Hon. G.E. GAGO: Yes, I have been advised.

Ms BETTISON: I refer to Budget Paper 4, Volume 4, Agency Statements, page 92. The ICAC Act makes a number of changes of relevance to the local government sector within the broader public integrity and anticorruption framework established by the act. This includes the creation of mandatory codes of conduct for elected members and council employees. How are these changes being implemented?

The Hon. G.E. GAGO: The ICAC Act was enacted by the South Australian parliament in December 2012. The Hon. Justice Bruce Lander was appointed to the position in February 2013 and will take up his appointment on 1 September this year. The ICAC Act makes important amendments to the Local Government Act 1999 to strengthen the public integrity and accountability framework for local government.

Some of the key changes to occur include increasing the role of the Ombudsman with regard to both councils and individual council members. If full investigation of the council is required, investigations will be referred to the Ombudsman. This ensures that the process takes place in an independent context, resulting in a fair and transparent result for councils and their constituents in these difficult circumstances.

The creation of a mandatory code of conduct for both council members and council employees is a key part of the new integrity framework. As is required for any policy changes of this nature, a great deal of work and consultation was undertaken during the past 12 months to develop final proposals for these codes. A draft code of conduct for council members was released in late 2012 for consultation across the local government sector. The draft code of conduct for council employees was released in February 2013. These draft codes are the result of collaborative work between the Office of State/Local Government Relations and the LGA. Input is being sought from the ombudsman and the Attorney-General's Department. I am advised that the LGA has coordinated workshops for council members and staff. Further, I understand that they also formed a specific reference group and sought written feedback. That work has obviously been very important.

When the draft codes are finalised, the mandatory code of conduct for council employees and the mandatory code for council members will be contained in regulations. It is intended that the code for council members will come into force at a time that coincides with the implementation of Australia's new public integrity framework, expected to be in early September. The council members code is obviously the first priority for us. With the broader public integrity and anticorruption framework established by the ICAC Act, these changes will ensure that South Australian communities can have confidence in the accountability and operation of all South Australian councils.

Mr GRIFFITHS: There is no doubt that it is a very interesting topic, particularly for local government staff and elected members. I recognise the draft codes out there, and there has been an ability for people to review and understand them, but what level of checking is taking place, or is being proposed to take place, to ensure that there is an understanding of what the implications of it are for them?

The Hon. G.E. GAGO: This is for employees?

Mr GRIFFITHS: And elected members.

The Hon. G.E. GAGO: Just to clarify, are you asking: once the codes are completed, how—

Mr GRIFFITHS: Sorry; even during the draft process, minister. When they are completed and they become law, what checking system is in place to ensure that people actually understand the implications?

The Hon. G.E. GAGO: So educating employees and council members as to what the new regulations are?

Mr GRIFFITHS: Yes.

The Hon. G.E. GAGO: There will be an education and information program that we will do for all legislative changes. We will work with the LGA to make sure that the information goes out to both councillors and staff members so that they are aware of changes and understand what their responsibilities are.

Mr GRIFFITHS: There are certainly hundreds of elected members, but there are also about 9,000 staff who work for local government, so it has to filter through. We all believe that people do things right and that there are no problems, but there is a need for an education program, too.

The Hon. G.E. GAGO: We have worked in very close collaboration with both the LGA and the unions. The unions are in fact undertaking right at this time a very comprehensive project involving their members and employees to identify what they believe should be contained within the code. The LGA has involved councils in providing input into their work. They have put an enormous amount of work into it. The work they did on the members code is quite remarkable.

They have already involved key stakeholders in the design and drafting of these provisions and so have unions as well. The issue really will be about making sure everyone is familiar with what is in the final draft but also when new members come on board who perhaps have not been

part of this consultative process, they will be aware of what the provisions are. I am advised that post the 2014 local government elections, there will be mandatory training.

Mr GRIFFITHS: Referring to page 92, is there a particular policy area that will be a focus for you in 2013-14?

The Hon. G.E. GAGO: With the machinery of government changes, my focus will change quite considerably. It will be basically a regional prosperity and development focus, and that will underpin the work I do with outback communities and the emphasis that we will be undertaking with the financial assistance grants as well. That emphasis will be about regional development, regional prosperity and the work we have had there.

I draw your attention to the fact that page 92 of Volume 4 lists the 2013 targets which are about completing the codes, that will be a priority, as will supporting the rest of those regional planning days and ensuring that is pulled together. As to the review that has been undertaken with the methodology of the Local Government Grants Commission, they have been looking at refining some of the ways they look at the distribution of those grants, which is always quite tricky, and to review the funding arrangements between state and local governments to assist councils to recover from the natural disaster events.

Mr GRIFFITHS: I have questions prepared on all those areas, but I wonder whether there is one particular one that you really wanted to get your teeth into in the next nine to 12 months.

The Hon. G.E. GAGO: I think all of those areas will consume considerable time and attention.

Mr GRIFFITHS: Minister, I know in an earlier question here for another portfolio you referred to a trip to China that you had made, and I think the Premier was with you, and part of an agreement was formed there. I am aware that the previous state/local government relations minister (Hon. Russell Wortley) went on an 18-day trip last year which was reported quite widely that the inclusive costs were some \$47,000. As I have read it, the Premier at the time was not prepared to provide any outcomes, and he was waiting for the minister to submit the necessary processes. Given that it has been some time now since you have taken on the portfolio, have you had an opportunity to review the intent of that trip, who were met and what the outcomes were?

The Hon. G.E. GAGO: Of?

Mr GRIFFITHS: Of the Hon. Mr Wortley's trip.

The Hon. G.E. GAGO: No, that is a matter for him.

Mr GRIFFITHS: Well, it is more a matter of ministerial travel, as I understand it, for \$47,000. There is a cost that the public has incurred here. You don't see it as your responsibility as the current minister to review the work undertaken by a previous minister at all or to be advised about that or to consider its impacts or to look at what policy options it might have generated?

The Hon. G.E. GAGO: My understanding is that the findings from his study tour helped provide cabinet with a clearer understanding of the future direction of state/local government relations and provided some innovative solutions to increasing the capacity of the SA local government sector. So, those sorts of things generally are highly valuable.

Mr GRIFFITHS: Very fine words in a very broad sense, though. For me there is an accountability issue attached here. Was it a personal study trip or was it a ministerial trip?

The Hon. G.E. GAGO: My advice is that it was a ministerial trip.

Mr GRIFFITHS: Study trips by a member of parliament require a report to be submitted and publicly reviewed. For a ministerial trip, though, is there any level of public scrutiny on what was involved and what outcomes were expected and achieved?

The Hon. G.E. GAGO: My understanding is that parliamentary travel reports are required to be tabled in parliament, but for ministerial travel information is required to be given to cabinet, and that is the extent of it. I do not believe there are any other reports on this trip.

Mr GRIFFITHS: I understand. You have been a cabinet minister for some time, so you would have been provided with some information from the Hon. Mr Wortley at the time as part of cabinet?

The Hon. G.E. GAGO: As you would be well aware, cabinet does not discuss what reports we have or have not received. I have outlined what is the process, but we do not ever comment on specifics.

Mr GRIFFITHS: I do respect that, but I am outlining to you the level of frustration I have about \$47,000 that was spent and for which I cannot see a tangible outcome.

The Hon. G.E. GAGO: It was a trip another minister took. I have provided you with what advice I have; it is a matter for the former minister.

Mr GRIFFITHS: Are you able to confirm whether the then minister was travelling with any staff members at all?

The Hon. G.E. GAGO: I do not know, but I imagine he would. I do not have that information, but ministers usually take staff with them.

Mr GRIFFITHS: On the basis that the staff member would have had to submit some sort of travelogue or report about activities, is any information available publicly within the department?

The Hon. G.E. GAGO: I do not believe staff are required to provide travel reports.

Mr GRIFFITHS: At least a report to you as the incoming minister?

The Hon. G.E. GAGO: We don't receive travel reports from staff of trips other ministers have undertaken.

Mr GRIFFITHS: So it has gone off into the sunset—\$47,000 spent?

The Hon. G.E. GAGO: What has occurred with minister Wortley is consistent with other ministers. If you are ever in the ministry you will find that it is certainly similar to what has happened with former Liberal governments in terms of travel reports from ministers that are not publicly available, and reports from staff that are made available. Those practices are consistent with what occurred with the former Liberal government, and to the best of my knowledge the practices are consistent with what minister Wortley undertook.

The CHAIR: Member for Goyder, do you have a budget line you are referring to?

Mr GRIFFITHS: I do; it is page 91 actually. The minister had responsibility for the portfolio at the time.

The CHAIR: Do you have another question?

Mr GRIFFITHS: I do, please—a reference on page 91 relates to the transfer of properties in between Housing SA and organisations that indeed have control of them. I know the LGA has been quite concerned about the impact when it comes to rate revenue. Can you outline the discussions you have had with the Local Government Association about that?

The Hon. G.E. GAGO: Are these the community housing changes?

Mr GRIFFITHS: Yes.

The Hon. G.E. GAGO: It is a policy matter for which minister Piccolo has responsibility. I know that he has been consulting with the LGA in relation to the changes. My understanding is that South Australia is very much at a disadvantage funding-wise federally, because of the structure of our public housing. This was to help overcome some of that disadvantage, and that was to shift some of the public housing to the not-for-profit sector.

The Local Government Association has called for a review of the requirement within the Local Government Act for councils to provide the 75 per cent rate rebate to community housing organisations, and this requirement was established through the Local Government Act Accountability Framework. Parliament agreed that this was a reasonable requirement at the time and I certainly do not have any intention of revising it.

Mr GRIFFITHS: Sorry—on the review being undertaken; is that what you said? The LGA has called for a review.

The Hon. G.E. GAGO: They called for a review of the requirement within the Local Government Act for councils to provide a 75 per cent rate rebate to community housing organisations.

Mr GRIFFITHS: Did the LGA actually contact you to act as an advocate on their behalf or to brief you about the impact of it?

The Hon. G.E. GAGO: From my recollection, they have had very little to say to me directly about this. They may have had some dialogue, and I cannot remember a specific exchange but I know that it is an issue of concern for them. There are a couple of council areas that are particularly impacted by this. Most are not or there is minimal impact, but there are a couple where I am aware this does have an impact. As I said, my understanding is that minister Piccolo has been working with the LGA to look at ways that they can help minimise this impact, such as phasing in transfers.

Mr GRIFFITHS: I can indeed note that, in a conversation with a metropolitan council chief executive officer, he relayed to me that if all the Housing SA properties within his council area were transferred in this way—and this was very early on in the debate—the impact would be a million dollars per year in council rates.

The Hon. G.E. GAGO: I am sort of winging it here a bit because it is not my area, but my understanding is that there is no intention to transfer all of them. It is only going to be 5,000, and those councils are now roughly aware of where that impact is likely to happen and what impact it is likely to have on them. I think that initially they were feeling overwhelmed but, since they now realise that it is only a limited number and we have no intention of extending that further, most of those councils now are reasonably satisfied except for those couple that are going to be adversely impacted on and hopefully we can work with them to help minimise that.

Mr ODENWALDER: I refer the minister to Budget Paper 4, Volume 4, page 91. The minister has touched on this a little, but could she expand on how she and her department have maintained and supported the constructive relationship between the state government and councils?

The Hon. G.E. GAGO: Thank you for the question. A productive and very successful relationship with local government is obviously a priority for me and this government, and evidence of this priority is expressed through strategic documents such as the State-Local Government Relations Agreement and the intergovernmental agreement establishing principles guiding intergovernment relationships.

The relationships that I maintain across the local government sector are essential to support proper policy and legislative development and I have endeavoured to attend as many regional LGA meetings as possible since taking over the portfolio this year. Attending these meetings and visiting councils obviously helps give me a greater insight and understanding of the issues impacting on councils and it is a great benefit to the management of the portfolio.

From January 2013 until now, I have been pleased to be able to meet with a number of councils. During March I travelled to the Lower Eyre where I met with Port Lincoln mayor, Bruce Green, and CEO, Geoff Dodd. I also had the opportunity during the visit to travel to Cummins and met with mayor Julie Low and other elected members. There are a large number of them that I have been able to visit; I will not go through them all. I also very much enjoyed—and it was a special moment—visiting Port Augusta in March and then in May for the naming of the Joy Baluch AM Bridge and to attend former mayor Baluch's memorial service. In April I travelled to Mount Gambier and had a recent trip to Roseworthy and Gawler, so I look forward to continuing to get around to local councils.

Ms BETTISON: I refer the committee to Budget Paper 4, Volume 4, Agency Statements, page 92. What is the government doing to support small and rural councils that may struggle to meet increasing regulatory standards, legislative compliance and community expectations?

The Hon. G.E. GAGO: Thank you for your question. I am pleased to advise that in 2012 the then minister for state/local government committed \$150,000 over three years to assist small regional councils to improve their core financial and asset management skills. The funding committed is being used to tailor assistance in the individual council level of support to small regional councils, their ability to meet increasing regulatory standards and community expectations. It also ensures that the councils are in a position to make the most of opportunities provided by initiatives, such as the Local Government Reform Fund project.

The former minister's commitment was matched by the Local Government Association, resulting in a \$300,000 fund. Many councils were involved—I will not list them—and it was agreed to commit money from that fund for two initiatives. The first was \$4,000 to each eligible council—a total of \$52,000—to provide additional support to these councils with the LGA Business Partners Program, which is designed to help regional councils improve their infrastructure and asset management plans and long-term financial plans. This ensures that the plans are generally

consistent with each other and affordable. The second was \$124,000 to augment other funds available to the eligible councils through the federal government's Local Government Reform Fund.

Separate to these initiatives, the districts of Karoonda East and Southern Mallee were provided with funding during the first half to assist them to jointly establish internal control regimes. Following consultation with individual councils, assistance will be tailored in the form most appropriate to their specific needs before the funding commitments for 2013-14 are finalised. However, assistance is likely to be provided to applicable councils in the areas of supporting and establishing internal control regimes, support for annual business plans, budget monitoring and reporting, subsidising attendance of council members and staff to relevant training programs and encouragement and support for Shared Services.

Mr GRIFFITHS: In the question from the member for Little Para, you referred to constructive relationships, and I totally agree they need to be very important. As an extension of that, though, with the Minister's State/Local Government Forum—and that has been in place for some years—since you have assumed the portfolio has there been a meeting of that group?

The Hon. G.E. GAGO: There has not been a forum, no, since I became minister. The last forum was in December last year.

Mr GRIFFITHS: Have you scheduled a meeting?

The Hon. G.E. GAGO: No, and I have no intention of scheduling one. The forum will, in the new machinery of government, come under the auspice of Premier and Cabinet, so the Premier himself will be responsible for the forum and also the intergovernmental agreement. Those strategic cross-government policy areas will sit with Premier and Cabinet.

Mr GRIFFITHS: You have referred also to the disaster recovery arrangements. It is my understanding that nationally it is deemed to be that a disaster is defined as 0.225 per cent of state revenue—I think that is how it is termed—but in South Australia we look at a 5 per cent of council rate revenue? What work has been undertaken to look at the effectiveness of the fund and the work on the time delays that have been in place between the incident occurring, recognition of the issue occurring, engineering looking at it, and the dollars being available to help fix it?

The Hon. G.E. GAGO: I have been advised that we are in the process of undertaking a review. In March 2012, my predecessor agreed with the president of the LGA to conduct a joint review of the disaster funding arrangements between state and local governments with a view to developing new arrangements more consistent with the national disaster funding arrangements with the states and territories. The review provided advice on a long-term agreement to support councils to recover from serious natural disasters which impact on essential infrastructure, including a clear basis for determining state and council contributions.

A discussion paper on the proposals for the new natural disaster funding arrangement between state and local governments was released for consultation with councils in September 2012. The review recommended a new funding model to support councils that suffer significant damage to infrastructure from natural disaster events, based on the national scheme between the commonwealth and the states.

If the recommendations of the review are adopted, a capped Local Government Disaster Fund would be abolished and replaced by an uncapped agreement by the state to provide funding support to councils according to a predetermined formula. The LGA state executive considered the proposals at its meeting in November 2012 and has provided broad support for the recommendations of the review but wishes, obviously, to discuss some aspects of the recommended funding formula.

It is proposed to establish a new funding agreement with the LGA to replace the Local Government Disaster Fund with the new model, and this will require discussions with the Treasurer and the Minister for Finance. Following the recent machinery of government changes, the responsibility arrangements in relation to the Local Government Disaster Fund are proposed to be committed to the Minister for Finance, so I will be able to hand all that fabulous work over to him.

Mr GRIFFITHS: On the basis that it was still your responsibility, what is the current balance of the fund as at 30 June?

The Hon. G.E. GAGO: I am advised it is approximately \$28 million; the exact figure is \$28.497 million.

Mr GRIFFITHS: Is there information between Mr Hallion, Mr Petrovski or yourself about the time lines for the consideration of the last very serious application that came in from the Mid

North councils? There were some really terrible floods and millions and millions of dollars of damage was done. Are you able to confirm how long it was between the event occurring and the money flowing through to some areas?

The Hon. G.E. GAGO: Able to confirm what, sorry?

Mr GRIFFITHS: The time delay between the event and when the money was made available.

The Hon. G.E. GAGO: I do recall that; it is coming back to me from when I was the former minister for state/local government relations. Mr Petrovski just reminded me that the difficulty we had at the time in having money flow through to help repair damage was that it was predominantly held up by difficulties in getting suitably qualified engineers out to do the detailed assessment of the work that needed to be done; that delayed events considerably. There were problems getting a detailed analysis of the work needed to be done and the information the council had to provide to the engineers; so that was problematic. But I am also reminded that the number of claims in place was 12, and that was from December 2008 until February 2011, with a total of over \$28 million claimed and almost \$20 million approved. So, a great deal of activity was happening in the space. I think that we were having engineers running all over the place doing these infrastructure assessments.

Mr GRIFFITHS: Minister, I am still seeking clarification on the time line between the event occurring and even the approval being given and then for the flow of the money out.

The Hon. G.E. GAGO: Which case are you talking about?

Mr GRIFFITHS: Certainly, in the Mid North—Clare and Gilbert Valleys, for example, and the damage around Stockport.

The Hon. G.E. GAGO: I have been advised that, in relation to Clare and Gilbert Valleys, some moneys were made available immediately prior to any analysis being done. I am advised that it was around about four or five months before the final amounts came through. Also, the review I referred to is also examining ways of streamlining approvals under the new arrangements. Hopefully, we can improve those time lines considerably in future.

Mr GRIFFITHS: Minister, I can confirm that representatives of the LGA and from the affected councils met with me and other regional MPs, where they expressed their frustration in relation to the time delays and the whole process. Just on the Clare and Gilbert Valleys incident, you said that money was made available—

The Hon. G.E. GAGO: Some money was made immediately available.

Mr GRIFFITHS: Yes, some. What estimate was that? If a council engineer put in an estimate of \$16 million or thereabouts, what amount of that was acknowledged in the short term and funds provided?

The Hon. G.E. GAGO: With Clare and Gilbert Valleys, the up-front money was in the vicinity of \$100,000 or something like that—\$200,000, I am advised, or thereabouts. That is sort of a rough guess. I am advised that it was not premised on any proportion or estimate of what the final projects costs might be. I think it was like a common-sense approach. It was assessed by the minister at the time and, going on feedback from the local council, given the obvious extent of the damage that some up-front money would be needed, I think that money (\$200,000) was made available within a couple of days of the flooding event so that they had something they could start—

Mr GRIFFITHS: \$200,000 doesn't go very far on the basis of \$15 million or \$16 million worth in damage.

The Hon. G.E. GAGO: I am advised that it wasn't based on the premise of any overall estimate of the project. It was just, 'We know that you need something now, and here's a start.' I have to say that is something we don't do generally. So, I just need to—

Mr GRIFFITHS: Shows that there must be a level of respect for them, then, minister.

The Hon. G.E. GAGO: Exactly.

Mr GRIFFITHS: Madam Chair, the member for Schubert has a question, I believe.

Mr VENNING: I refer to Budget Paper 4, Volume 4, page 91 again. Can the minister advise how many times the Boundary Adjustment Facilitation Panel met during the previous

financial year and what progress has been made regarding the submission from residents of the hundreds of Mangalo and Heggaton with respect to boundary adjustment between the District Council of Franklin Harbour and the District Council of Cleve? A public submission was made on 23 December 2010 and a consultant report was prepared for the panel in November 2011. The Boundary Adjustment Facilitation Panel determined to proceed with the development of a proposal that addressed the issue raised in a public-initiated submission from residents of the hundreds of Mangalo and Heggaton. The final proposal was released for public consultation on 24 December 2012. Can I say that a lot of people are watching this as a case study.

The CHAIR: Member for Schubert, it is very unusual for you to show such an interest in Eyre Peninsula. It is very good to hear. I am trying to work out how close Mangalo is to your electorate.

Mr VENNING: We are all in a queue; this one is up the front.

The CHAIR: Also, generally we do not give explanations when we ask a question in estimates; however, because it is you, member for Schubert, I will let you get away with it.

The Hon. G.E. GAGO: The member for Schubert gets a lot of latitude.

The CHAIR: It could be the last estimates question you ever ask, member for Schubert. This time next year you will be sitting there thinking 'I wish I was in estimates.'

The Hon. G.E. GAGO: 'All those questions I could have asked.'

Mr VENNING: I am speechless.

The Hon. G.E. GAGO: In terms of how many times they have met, I do not have the answer to that question. They meet on an 'as needs' basis, so there is no preset schedule. They do not meet once a month or whatever; they meet when necessary.

Mr VENNING: We need to jazz this process up a bit; that is what my question is about, really.

The Hon. G.E. GAGO: I can understand the member's interest in this. It is a very difficult thing to balance. There are a lot of different interests and a lot of different perspectives, and it can be quite complex. However, since 2001 there have been 15 council-initiated submissions considered and completed by the panel that have resulted in council ward boundary changes, and the panel is currently considering a submission made by a group of eligible electors proposing that a proportion of the District Council of Franklin Harbour be transferred to the District Council of Cleve.

The panel formally accepted the submission at its meeting on 26 May 2011. It has prepared a proposal for the boundary change that has been the subject of extensive consultation with the affected councils and the community. At the conclusion of the process set out in the Local Government Act, the panel will obviously prepare a report for my consideration. To date no submission by a group of eligible electors has resulted in a boundary change between affected councils.

One of the complexities with this particular submission is the long-term financial effect that shifting that particular group of residents to another council would have on the long-term financial viability of that council. We are proposing to chop off a very important revenue component to that council, and that is a very hard thing to do. You potentially make one council unviable, and you have to weigh that up against the issue of the set of residents, who have a view of their current services and amenities and where they might perhaps be able to get a better bang for their buck.

So it is a difficult one, and they are matters that the panel weighs up and considers very carefully before making changes, because, then, what is the council left to do? Increase its rates to all the other residents who are left behind? I will put in a little plug here: I encourage small councils, in particular, that are struggling, that have limited access to revenue, to think about amalgamation. There are significant benefits that can come from council amalgamations. I think this is an absolute classic example of a case in point where, probably, everyone could benefit if they brought those councils together.

I will qualify that this government has a policy of voluntary amalgamations and we are not going to change our position on that at all, but I certainly do not think that should get in the way of my offering some common-sense encouragement where it is warranted, and I think this is a very good example of that. I hope this record gets to both councils and all the residents there, and they

can perhaps consider a longer term, more strategic approach to their problem. You can take those words back to them, Ivan.

The CHAIR: There being no further questions, I declare the examination of the proposed payments of the Department of the Premier and Cabinet and administered items for the Department of the Premier and Cabinet adjourned to committee A.

DEPARTMENT FOR COMMUNITIES AND SOCIAL INCLUSION, \$1,040,343,000
ADMINISTERED ITEMS FOR THE DEPARTMENT FOR COMMUNITIES AND SOCIAL
INCLUSION, \$179,118,000

Membership:

Mr Pederick substituted for Mr Gardner.

Ms Chapman substituted for Mr Griffiths.

Ms Sanderson substituted for Mr Venning.

Witness:

Hon. G.E. Gago, Minister for Agriculture, Food and Fisheries, Minister for Forests, Minister for Regional Development, Minister for the Status of Women, Minister for State/Local Government Relations.

Departmental Advisers:

Ms J. Mazel, Chief Executive, Department for Communities and Social Inclusion.

Mr A. Thompson, Executive Director, Financial Services, Department for Communities and Social Inclusion.

Ms V. Swan, Director, Office for Women, Department for Communities and Social Inclusion.

Ms F. Mort, Manager, Policy, Office for Women, Department for Communities and Social Inclusion.

Ms N. Rogers, Acting Director, Business Affairs, Department for Communities and Social Inclusion.

Ms A. Underwood, Senior Policy Officer, Office for Women, Department for Communities and Social Inclusion.

Ms J. Cato, Ministerial Adviser.

Ms R. Burner, Chief of Staff.

The CHAIR: We move on now to the portfolio of communities and social inclusion and the Minister for the Status of Women. I refer members to the Agency Statements, Volume 1. Minister, you might like to make some an opening statement.

The Hon. G.E. GAGO: As Minister for the Status of Women, I am committed to working towards achieving a safer, more equitable and inclusive community for women. Over the past 12 months, I am pleased to report that a number of significant initiatives have been undertaken, including the launch of A Right To Safety: the Next Phase of South Australia's Women's Safety Strategy, which occurred in December 2011. The family safety framework forms a part of this strategy and is an across-government commitment to ensure that all women can live safely and free from violence. I am very pleased that the family safety framework continues to be successfully implemented across the state and also into the Northern Territory.

The implementation of the family safety framework was extended into the APY lands just recently. Implementation of the family safety framework also commenced in Ceduna in April 2013, and I am advised that meetings will be held this month. The family safety framework has also been implemented in Alice Springs.

The A Right to Safety agenda incorporates the violence against women collaborations. These collaborations provide an opportunity for the development of local regional responses to women experiencing rape and sexual assault, domestic and family violence and homelessness due to violence.

The Office for Women works in partnership with Housing SA to implement the collaborations, bringing together local service providers to develop strategic regional responses to homelessness and violence against women. To date, collaborations have been established in nine metropolitan areas.

As part of legislative change to assist in decreasing the incidence of violence against women, the implementation of the intervention orders, an across-government response model was developed. The model provides the basis for intervention responses within the context of intimate partner relationships consistent with the act. It also establishes the Women's Safety Contact Program, which aims to increase the safety of female protected persons who are not otherwise engaged with domestic violence services.

As of 26 April 2013, I am advised that there had been 295 referrals to women's safety contact officers since the commencement of the project. I would like to report that the work undertaken by the Office for Women research officer (domestic violence) within the State Coroner's Office has resulted in file reviews and investigations being conducted on approximately 45 deaths as at 31 May.

A number of other initiatives have been undertaken to assist in working towards a more equitable society. The Office for Women worked with the Department for Manufacturing, Innovation, Trade, Resources and Energy on the development of an award to recognise and champion women in leadership. The Premier's Council for Women developed a guide to best practice for attracting, retaining and promoting women in executive levels of industry and we are continuing to make significant progress towards achieving the women's leadership targets as part of our Strategic Plan.

I also had the pleasure of presenting the third Women Hold Up Half the Sky Award at Government House, which is always a wonderful event that the Governor assists us with. The South Australian Women's Honour Roll is another initiative that publicly acknowledges the contribution women make. Our State Aboriginal Women's Gathering continues to be held each year. The Women's Information Centre continues to engage with South Australian women in person, on the phone and on the internet, and it continues to develop its digital engagement strategy by engaging women through Facebook and Twitter.

The CHAIR: Member for Bragg.

Ms CHAPMAN: Thank you, Madam Chair. I will start with the omnibus questions.

1. Will the minister provide a detailed breakdown of expenditure on consultants and contractors above \$10,000 in 2012-13 for all departments and agencies reporting to the minister—listing the name of the consultant, contractor or service supplier, cost, work undertaken and method of appointment?

2. For each department or agency reporting to the minister in 2012-13, please provide the number of public servants that are (1) tenured and (2) on contract, and for each category provide a breakdown of the number of (1) executives and (2) non-executives?

3. In financial year 2012-13 for all departments and agencies reporting to the minister, what underspending on projects and programs was not approved by cabinet for carryover expenditure in 2013-14?

4. Between 30 June 2012 and 30 June 2013, will the minister list the job title and total employment cost of each position (with a total estimated cost of \$100,000 or more)—(a) which has been abolished; and (b) which has been created?

5. For each year of the forward estimates, provide the name and the budget of all grant programs administered by all departments and agencies reporting to the minister, and for 2012-13 provide a breakdown of expenditure on all grants administered by all departments and agencies reporting to the minister—listing the name of the grant recipient, the amount of the grant and the purpose of the grants and whether the grant was subject to a grant agreement as required by Treasurer's Instruction No. 15?

6. For each department or agency reporting to the minister, what is the budget for targeted voluntary separation packages for financial years 2013-14, 2014-15, 2015-16 and 2016-17?

7. What is the title and total employment cost of each individual staff member in the minister's office as at 31 May 2013 including all departmental employees seconded to ministerial offices and ministerial liaison officers?

Minister, referring to pages 88 and 89, which is the total extent of the status of women portfolio—I think only marginally comparable with the forestry unit we dealt with earlier this afternoon—when you nominated the Hon. Ian Hunter to be the acting minister for the status of women during one of your absences in the preceding 12 months, did you consider whether that was inconsistent with the Premier's Council for Women recommendations in respect of promoting women in leadership positions?

The Hon. G.E. GAGO: No.

Ms CHAPMAN: Did you consult with them at all?

The Hon. G.E. GAGO: No.

Ms CHAPMAN: Had you explored whether any of the other female ministers at the time were available or were they simply unavailable or unwilling to undertake those duties during the time that minister Hunter was appointed?

The Hon. G.E. GAGO: Yes, I did explore other options but this was the most suitable.

Ms CHAPMAN: Were there no other female members of cabinet available?

The Hon. G.E. GAGO: I do not think for the duration that I was away, so it would have meant changing responsibilities part way through. There was no-one who could cover the full leave period; there were no other women who were available, so that is why the decision was made.

Ms CHAPMAN: Okay, so only a man for the job. There are a couple of areas that we have canvassed previously during these sessions, minister, in respect of the role of the Premier's Council for Women, in particular whether they have been consulted on a number of issues. Historically the council has provided advice on legislation, including the comprehensive amendments to the equal opportunity legislation several years ago.

At last year's estimates and I think even the year before, you made the point that it was open to them to consider whatever areas of interest they wanted to pursue to investigate or to do research on or to undertake the provision of any report on. Bearing that in mind—and I acknowledge the importance of having that independence—during the preceding 12 months had you put any request to the Premier's Council for Women to have a look at any particular issues that you thought were relevant to the advancement of women?

The Hon. G.E. GAGO: Every year that I have had this portfolio and that you have attended estimates, I think you have asked the same question, so I am not surprised at all that you have wheeled out this old question yet again. I am happy, again, to waste the time of this committee going over what the process is. The council is an independent body that develops its own work plan and priorities. It does that in consultation with me; it certainly advises me of what it is proposing to do. The council takes into consideration the work priorities of the government such as South Australia's Strategic Plan and the seven strategic priorities. It also takes into consideration those areas that do not currently have a women's focus and focuses its efforts on where it believes it can have the greatest impact.

It is there to provide for independent advice and cannot be all things to all people. The way it strategically positions itself to do high quality work in some areas that it has the time and capacity to be able to deliver something of quality in that space, and the way they go about it, is something of which I am very supportive. They produce very high quality outcomes.

As one of the government's key advisory bodies, the council is actively involved in the review of our South Australia's Strategic Plan and its membership of the audit committee. They meet with me regularly to ensure they convey their views and considerations directly to me. They meet with the Premier and provide a written report as well. In those regular dialogues with them I have raised many issues and I am sure they consider all those matters I raise. They also give me a report on where their activities are up to as well, and I am engaged in those discussions, but I have not directed them to consider or give specific advice on any particular issue.

Ms CHAPMAN: I respect that; I thought I had opened with that position of their independence, minister, but you can repeat it all if you like—you do the same each year. I appreciate that you have not directed them to do anything. Is there anything in their meetings with you that they proposed to undertake that you indicated would not be suitable for them to follow up?

The Hon. G.E. GAGO: No.

Ms CHAPMAN: Of the issues that have been outstanding and very public during the preceding 12 months—there are a few, some of which have been the subject of reports of entities that report to the parliament—one of course was the Ombudsman's report in May this year in which the Ombudsman had issued his assessment as to the rather tragic and clearly inhumane circumstances with respect to Ms Jacqueline Davies, who was at the women's prison, the circumstances of which I do not need to detail, but suffice to say were appalling circumstances of her being shackled for extended months and on which the Ombudsman reported to the parliament, obviously critical of a number of aspects, including his assessment identifying a clear breach of human rights, ethics and lawful detention.

We do not need to go into the detail, and I am not proposing to do that, but I inquire about it. Having highlighted a circumstance which really is at the disturbing end of treatment of women, in this case in the women's prison, is this an issue which you had brought to the attention of the Premier's Council for Women as something they might want to consider?

The Hon. G.E. GAGO: No is the short answer. The investigation of that matter was conducted by the appropriate independent authority, the Ombudsman. The Ombudsman has made a list of recommendations pertaining to health, corrections and mental health, and those relevant agencies will take up those matters and address the recommendations, so those processes are all in place.

Ms CHAPMAN: You are not responsible for prisons as the minister, but obviously if there is maltreatment of women in any circumstance I am sure you would be concerned about that. In discussing the government's response to the recommendations of the Ombudsman, had you and your department provided any advice to government as to how that should be carried out?

The Hon. G.E. GAGO: I am not absolutely sure on this, but I do not believe that the government has completed its response to that yet. In all those matters, all the relevant agencies input into those responses.

Ms CHAPMAN: If your department has not been consulted, would you expect to be consulted?

The Hon. G.E. GAGO: That is the usual process, yes, that we would be consulted, but at this point in time I do not believe that that has been undertaken. But I am confident, as I said, there are independent assessments and rigorous processes in place to ensure that all relevant government agencies respond to those very serious matters that have been determined.

Ms CHAPMAN: How are you satisfied? You have not even considered the issue, yet.

The Hon. G.E. GAGO: In terms of the fact that the Ombudsman does that independent investigation in the first place and has powers of investigation to enable them to investigate thoroughly, and the government is required to respond to those recommendations, so it is a very open and transparent process. That is what I have confidence in.

Ms CHAPMAN: You are confident that the government will ultimately comply with the obligations to report back to the parliament what they are doing, but my question to you is really whether you can have any confidence in the government's response to this because it has not been completed.

The Hon. G.E. GAGO: That is right; I have no reason to believe that it would not. It responds extremely well to all those matters.

Ms CHAPMAN: The highlights for 2012-13 in the budget as published are, except for a change of tense, exactly the same as the targets of 2013-14. Is there no new initiative that this division is going to be doing in the forthcoming year? It is repeated exactly the same for both.

The Hon. G.E. GAGO: I am advised that we will continue to complete those projects. They were very large projects that require work to be done on them over a long period of time and they are as yet incomplete, so that is what we will continue to do.

Ms CHAPMAN: One of them, for example, was to reorientate the Women's Information Service to become a gateway service. That was a highlight last year and it is still a target this year.

The Hon. G.E. GAGO: That is right.

Ms CHAPMAN: Why has it taken two financial years to deal with?

The Hon. G.E. GAGO: Because it is about introducing new technology, setting up new platforms, training and education. The general public generally tends to rely on direct counter services less and less and are looking to have more information and better interactive arrangements online. That requires money and it requires, as I said, training and education and we will continue to develop those new platforms.

Ms CHAPMAN: The Employee Ombudsman—

The CHAIR: Member for Bragg, thank you. You have had about 12 questions; I think the government has a question. The member for Little Para.

Mr ODENWALDER: I refer the minister to Budget Paper 4, Volume 1, page 88. Can the minister provide an update on how the Office for Women is working to address violence against women through the National Plan to Reduce Violence against Women and their Children and the national centre of excellence?

The Hon. G.E. GAGO: The National Plan to Reduce Violence against Women and their Children sets an aspirational vision and target to focus national efforts over the next 10 years from 2010 to 2022. It is aiming for Australian women and their children to live free from violence in safe communities and seeks to achieve a significant and sustained reduction in violence against women and their children.

The first national implementation plan was released in September 2012 and runs until 2013. It outlines how Australian governments and the community will work together to lay groundwork for the future and sets the scene for the life of the national plan. The implementation plan has put in place strategic projects and actions which will provide the foundations to drive long-term results, while also implementing priority actions in the short term. It has a strong focus on primary prevention, attitudinal change and building a solid evidence base.

In February 2013, the Hon. Julie Collins, Australian Minister for the Status of Women, announced the establishment of a national centre for excellence as a key element of the national plan, and I am very pleased to announce that the co-chair of the South Australian Premier's Council for Women, Professor Anne Edwards, has been appointed as the Chair to that centre.

Anne Edwards is an expert in gender and sexual studies who will bring a wealth of experience and knowledge to the centre, and her contribution to the study of violence against women has earned her enormous respect. Her experience will be invaluable as she leads the centre in developing a national research agenda to help guide future investment policy and services in the prevention of violence against women.

Based in Sydney, the national centre of excellence will provide a central point for researchers, policymakers and practitioners in fields of domestic, family and sexual violence to link up and provide evidence-based responses to reduce domestic, family and sexual violence. It will lead national efforts to enhance the research base in the areas of domestic violence and sexual assault across research, education and service delivery organisations to support the national plan.

Ms BETTISON: My question refers to Budget Paper 4, Volume 1, Agency Statements, page 89. Could the minister advise what is being done to implement the Family Safety Framework to regional South Australia?

The Hon. G.E. GAGO: Thank you for your question. As part of the government's safety strategy, the Family Safety Framework seeks to ensure that services to families most at risk of violence are dealt with in a structured and systemic way. It is designed so that this occurs through agencies sharing information about high-risk families and taking responsibility for supporting these families to navigate the service system.

The framework includes family safety meetings which are held at a local level. It also includes information sharing protocol and the use of common risk assessment to ensure consistency. Following trials in 2007, meetings are now being held in 16 regions throughout South Australia on an ongoing basis. The framework commenced in April 2013 in Ceduna, as I mentioned earlier, and family safety meetings will also be implemented in Whyalla and the Fleurieu/Kangaroo Island region in the second half of 2013, completing the statewide rollout.

The framework has been applied in Alice Springs. This is the first time family safety meetings have been established in another jurisdiction, and I think it really confirms the

effectiveness of this model in responding to high-risk domestic and family violence. The collaborative work with the Northern Territory also supports a national plan to reduce violence against women and their children. The national plan sets out a key objective of improving cross-jurisdictional mechanisms to protect women and children. In the work being done with the Northern Territory agencies we are fostering partnerships and enabling consistency in service provisions across jurisdictions.

Ms CHAPMAN: Has your unit given you any advice, and if so what is it, in respect of same gender competitions for bowls, which is as a result of an indication by the Equal Opportunity Commissioner that she will not be giving any further extension of time to allow single gender competition to progress, suggesting that really you should look at legislative reform?

The Hon. G.E. GAGO: When you asked whether my unit gave me advice, are you talking about—

Ms CHAPMAN: Your department, the people sitting around you.

The Hon. G.E. GAGO: No, they have not, is the short answer. My understanding is that the decision that has been handed down, as you said, removes that provision for further extension. To the best of my knowledge, women bowlers have not come to me seeking my intervention or action in relation to this at this point in time. To the best of my knowledge, I am not aware that they have; no-one has raised it as an issue of concern.

Ms CHAPMAN: My understanding is that every member of both houses of parliament has been sent a letter from the head of bowling in South Australia identifying this problem and seeking some legislative redress. In fact, I think one of the members from your political party in the House of Assembly has even addressed this question and lodged a very substantial petition. I think that certainly on our side of the house someone has also given a presentation on it; hence, now that you are aware of it, I look to you to see whether you will get some advice from your department on how this should be best addressed.

The Hon. G.E. GAGO: As I said, to the best of my knowledge I have not seen that correspondence, but it may have come through—a lot of correspondence comes through my office. I am happy to look at it and see how much of an issue of concern it is and follow it up accordingly.

Ms CHAPMAN: Another matter on which I would like to ascertain what work has been done by the department and/or the Premier's Council for Women relates to a matter arising out of the annual report of the Office of the Employee Ombudsman. At that stage, the position was held by Mr Steven Brennan, but I think recently he has been somehow or other relieved of duties for a while. In any event, in his annual report to the parliament he highlighted a number of areas of concern, some of which directly affect women, and one in particular relates to the fitness industry.

If you did not read it in his annual report, you probably read about it in the *Sunday Mail*. It concerned the extraordinary number of complaints by young women who were working in the fitness industry. The Office of the Employee Ombudsman had, as he reported it, observed a spike in the number of calls received in respect of working conditions for fitness professionals. Almost invariably these were from younger women, and he launched an investigation, he told us in his report, into this matter. He proposed specifically to undertake a project to engage those fitness professionals and industry stakeholders on this issue, in particular to improve working conditions for young women.

It was certainly an issue directly affecting mostly our generation X and Y women, I expect. Nevertheless, it was sufficiently important, along with other concerns raised which were referred specifically to SafeWork SA and other ministers, as this one particularly related to women. My question is: have you sought any advice from the Office for Women on this matter and, if so, what was that advice?

The Hon. G.E. GAGO: Again, the short answer is no. To the best of my knowledge, I am not aware of any women raising this issue with me. I am aware generally that in this, and in a number of other sectors, there are issues around casualisation of the employment of women and other equity issues in the workplace. They are generally matters for the Minister for Industrial Relations. They are certainly policy areas that we are very supportive of in terms of pay equity and offering full-time employment to women. In terms of specific concerns for that particular sector, that has not been raised with me, to the best of my knowledge.

Ms CHAPMAN: Has the Minister for Industrial Relations raised it with you?

The Hon. G.E. GAGO: No.

Ms CHAPMAN: Were you aware of this particular concern of the Employee Ombudsman before today?

The Hon. G.E. GAGO: I am aware that there were issues around women working in the fitness industry that had been raised, yes.

Ms CHAPMAN: No. My question was: are you aware that the Employee Ombudsman had raised it in his report as a concern in October last year?

The Hon. G.E. GAGO: Not that I can recall. I am aware that there are issues of concern, but I cannot recall where those concerns were raised. I certainly am aware that there are issues of concern.

Ms CHAPMAN: Now that you are aware of it, will you inquire as to the progress of the report that was supposed to be finished in the 2012-13 year by the Employee Ombudsman on this issue?

The Hon. G.E. GAGO: I am happy to do that.

Ms CHAPMAN: In relation to the Fair Work decision in respect of non-government employees and the determination that there should be a significant increase in the payment for their employment, which is now to be introduced over a number of years, you would be aware, minister, that the implementation of that decision will add to the very substantial annual cost of the government to meet the expenses of that. In fact, you spoke about this issue in public forums during its progress to determination.

The government made certain commitments to implement the payments consistent with the Fair Work decision. Have you had any discussions or formal meetings with other departments responsible for the payment and/or the Treasurer to ensure that these payments are following through to those who are employed in the non-government sector, in particular, controlled by the fact that the government has very substantial payments to these non-government agencies to ensure that that has been followed through?

The Hon. G.E. GAGO: Yes. This is a very important pay equity test case, which I have followed with great interest, and I was very pleased to see the successful outcome of it. Following the decision on the landmark national pay equity test case in February 2012, Fair Work Australia awarded pay increases from 19 per cent at level 2 to 41 per cent at level 8 of the award, and those increases were to be phased in over eight years and commenced on 1 December 2012. South Australia was the first state to reach an agreement with the Australian government on funding the historic pay increases for community service workers.

In May 2013 and in December 2012, the Australian government passed the Equal Opportunity for Women in the Workplace Amendment Bill. The bill amends the name of the act to the Workplace Gender Equality Bill.

As part of the Australian government's 2013-14 budget, I am advised that \$6.2 million has been provided over four years to establish a pay equity unit for the Fair Work Commission to assist with data, which is a development of specialist pay equity information. I am advised that provisions were made in the 2012-13 Mid-Year Budget Review for payments and also the 2013-14 budget as well. They were cabinet decisions, which I was party to.

Ms CHAPMAN: My question, then, was: are you satisfied that the application that has been made of the extra funds is adequate to meet the provisions as per the determination of Fair Work?

The Hon. G.E. GAGO: I think that is the advice I have received. Yes, is the short answer; they have adequate provisions. I have been advised that generally, yes; however, my understanding is that some NGOs are in discussion with us about some matters around that. We will continue with those discussions and attempt to address any of those concerns. So that dialogue continues.

Ms CHAPMAN: I do not think there is any dissent from the view that, as this is a predominantly feminised area of the workforce, they should be provided with commensurate income from their employment; indeed, commensurate as near as practicable to those who might enjoy the same level of income if they were employed in, for example, the Department for Communities and Social Inclusion.

The concern I have, and I ask whether you have a view on this or if your unit has been giving you any advice on this, is why is it that the government would agree to women in the

NGO sector having to wait up to eight years for their entitlements, as determined as reasonable by Fair Work, when, in negotiating with each of the public sector representatives—whether it is for nurses, teachers, salaried medical officers, ambulance drivers or police officers, or the general Public Service—the EB agreements invariably make provision for a new regime? It is even applicable retrospectively. So, what is the basis upon which there should be a distinction between those women who make up the bulk of those in the NGO sector and those who are employed under the state EB?

The Hon. G.E. GAGO: These are discussions that are being led by Premier and Cabinet. I am aware that there are issues around the NGO sector that are being considered, and negotiations continue.

Ms CHAPMAN: Former Queensland premier Anna Bligh made a commitment, even before the Fair Work decision, on behalf of her then government that she would look at funding a commensurate payment for allocation in the budget to ensure that there was parity of income. So, whilst your government may have been the first to sign up after the federal decision was made, she was out of the barrier almost a year before. You may not have been consulted on this issue, or may not have a view on it, but did you receive any advice from your department? If so, what was it?

The Hon. G.E. GAGO: As I said, this government has indicated its commitment. It has been very supportive of this pay equity outcome. We have committed payments, and the rest is currently being negotiated and led by Premier and Cabinet.

Ms CHAPMAN: I know that this year you are going to continue work in relation to higher education, what appears to be a collaborative arrangement to identify what seems to be (and I will paraphrase this) a higher entry into the non-traditional industries, such as mining, defence and construction, but has there been an improvement in numbers?

The Hon. G.E. GAGO: Fairly significant work has been done in this particular area, such as recognising the importance of STEM skills in employment in non-traditional areas. The Office for Women has representation on the Executive Reference Group, an official working group under this strategy. This membership also ensures that the strategy includes a focus on gender issues and also women's participation. It is a focus of the Select Council on Women's Issues to increase the number of women in non-traditional areas, and the South Australian Office for Women is obviously working with its jurisdictional colleagues to consider collaborative measures under that initiative.

We have worked with the Department for Manufacturing, Innovation and Trade to develop an award to recognise an organisation that has championed women in leadership: so, we encourage them. We have worked with the Premier's Council for Women on the development of a guide to best practice for attracting, retaining and promoting women at executive levels of industry, and that was only released in May this year.

As part of the STEM strategy, DFEEST has developed a STEM portal, an interactive website aimed at increasing the number of people undertaking science, technology, engineering and maths studies and employment. The site will become live later this month and will be formally launched as part of Science Week. Also, the Office for Women has worked extensively with DFEEST to ensure that there is a focus on women throughout that site. It has also developed a web page specifically for women in STEM, which focuses on how to attract and retain women in STEM employment.

You can see there is quite a bit in that space. A lot of it has either just been developed or released or is about to be, so you would not expect that to be impacting on numbers yet. I could not tell you what impact that has had on actual numbers at this point in time but, certainly, a considerable amount of work has been done and we look forward to bringing about some change and increasing women's representation in those areas and, importantly, offering opportunity in those potential growth areas.

Mr ODENWALDER: I refer the minister to Budget Paper 4, Volume 1, page 88. Can the minister provide some detailed information on what the state government is doing to support older women in employment?

The Hon. G.E. GAGO: Certainly, the South Australian government is committed to encouraging women to access training in high demand, high growth, non-traditional industries. Those initiatives are very important. Not only are we looking to increase the proportion of women in those rapidly growing areas but we are also seeking to increase the proportion of older South Australian women who are engaged in the workforce by 10 percentage points by 2020. The Office for Women is a member of the steering group to meet this target.

There is a significant gender gap in workforce participation between older men and women. According to the most recent data, in June 2012, 30.2 per cent of older South Australian women are participating in the workforce compared with 49.1 per cent of older men.

Better utilising the older female workforce has significant benefits for business, as well as the broader Australian economy and older female workers themselves. Modelling undertaken by the Productivity Commission has found that increasing older women's labour participation rates to match those of men would increase Australia's per capita GDP growth to 2044-45 by 1.5 per cent.

On 25 June 2013, the Office for Women, in collaboration with Sageco, hosted the South Australian launch of a research report: *Old Women Matter*. The Diversity Council of Australia in partnership with the Australian Human Rights Commission, supported by Sageco, undertook this research into how underutilised older women really are and what employers can do to better harness their skills and talents.

The Office for Women is also working with DFEEST, SafeWork SA and the Equal Opportunity Commissioner on a number of projects to be completed later in 2013, including super help at the Women's Information Service. This will provide women with assistance in finding lost super and in consolidating their superannuation.

Ms CHAPMAN: I attended the event for the launch of that piece of research work and, as interesting as it was, one of the concerning aspects, minister, was the very disparate contribution in investment and superannuation for women by the time they retire compared with men. There were not necessarily any offered answers to that. Usually, if a partner dies or the marriage is dissolved, there is some opportunity for the other partner to access some of that; however, that may be competing against children and the like. Is the government proposing to do any thing about that problem, in respect of ensuring the opportunity for women to continue to be employed; for example, to enable them to have access to workers compensation post the usual retirement age? Are any of those measures being considered by the government? Has your department given you any report on it and, if so, what is it?

The Hon. G.E. GAGO: I think superannuation is really a federal government issue.

Ms CHAPMAN: No, the issue I just asked you about was the question of giving women the opportunity to continue to be employed and be covered by workers compensation entitlements past the retirement age. The current state legislation makes it much more difficult to be able to achieve that. It is not unique to women but often men have other reserves to be able to call on; women do not. Have you or your department done any work on any amendments to cover that, that is, in our workers compensation legislation?

The Hon. G.E. GAGO: Not that I am aware of, but I am happy to take that on notice and have a closer look at it.

Ms CHAPMAN: It was an issue that was raised a couple of years ago with Susan Ryan upon her appointment to the role of Age Discrimination Commissioner; in particular, the question of access to gainful employment for financial independence, financial security, etc. I think you would appreciate all the reasons necessary, particularly for women who, for whatever reason, may be financially insecure or, alternatively, have no other capacity to be able to draw on resources via a partner or other family members.

In those circumstances, the opportunity to continue to work—as you outlined in the report that has just been published—I think it makes it very clear that there is a good productivity case for older women remaining in the workforce, etc., apart from the fact that we are going to need a number of them in the future. If your department has not given any consideration to that issue, is it going to in the next 12 months?

The Hon. G.E. GAGO: I am happy to follow that up.

Ms CHAPMAN: Excellent. I have one other question that relates to the new activity indicator. Historically this has usually been on the number of complaints or inquiries made to follow up or support women in certain areas, but you have a new one now which you are reporting to parliament: the number of people reached by social media. Apparently you had an estimated result of 55,000 for this year, which was completed yesterday, and you are planning to have 80,000 people presumably coming on to Facebook or Twitter accounts. This is a new indicator of activity of your department. My question is: of the 17.7 people or full-time equivalents left in your department—which is an ever-diminishing pool, I am afraid—how many people in that team are allocated to the servicing, monitoring and provision of responses to social media?

The Hon. G.E. GAGO: This goes to the matter that I talked about earlier on, and that is the changing face of our WIS services and the changing needs of the general public in terms of providing them with relevant information and engagement. It just helps understand the breadth of the service and engagement if I outline very briefly that in addition to maintaining the WIS services' shopfront and telephone service, there are a number of other programs that they take responsibility for like the Family Court support, tax help assistance, and an outreach service within WIS by the South Australian and commonwealth ombudsman offices. WIS talks to students undertaking community services; makes presentations to community groups, schools and agencies; and has a rural telephone link connecting country women.

I talked earlier about how one of WIS's objectives is to enhance its digital engagement, so it has continued that digital engagement by engaging women through its Facebook and Twitter and, as a result, WIS has estimated a reach via social media of 55,000 in 2013 and 80,000 by 2013-14. WIS's community engagement framework will identify a number of projects to empower women who do not have direct access to the internet or to the WIS shopfront to help them make informed decisions, and this includes women who are homeless, older women, women living in rural areas, women in prison, Aboriginal women and women who do not speak English.

The Office for Women has identified the need for an additional performance indicator within the budget papers to accurately measure the impact of its digital engagement strategy. From 2013-14 there will be two KPIs—the number of inquiries to WIS measuring contacts via the phone and in person, and the number of people reached by social media—so it reflects the changing nature of the service that we are providing to make sure that we keep up-to-date and are able to meet the needs of women as best we can and also in a way that they are increasing public expectation around it.

Ms CHAPMAN: I was not actually asking, minister, to justify it; I was not questioning its purpose. I was simply asking how many of your staff are currently allocated to attend to the provision of the services to monitor and maintain it and respond to those inquiries? For example, the CFS have their new Twitter site and they have four dedicated personnel in their department, but they have a few more people in their department than you.

The Hon. G.E. GAGO: I am advised that those role functions are performed across a number of different positions, but to give you some idea of the resource or the effort that is involved I am advised that collectively it would be about a half of an FTE as a resource but it is distributed across a number of different staff.

Ms CHAPMAN: I have no further questions, Madam Chair. Thank you for your indulgence and patience and excellent chairmanship.

The CHAIR: There being no further questions, I declare the examination of the proposed payments for the Department for Communities and Social Inclusion and administered items for Department for Communities and Social Inclusion adjourned to committee A. Thank you, minister, you have had a very long day and you have done very well, and to all those people who have been sitting here all day, thank you, particularly our clerks.

At 16:30 the committee adjourned until Tuesday 2 July 2013 at 10:30.